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THE OCTOPUS

A HISTORY OF THE

Construction,
Conspiracies,
Extortions,
Robberies, and
Villainous Acts

OF THE

Central Pacific,
Southern Pacific of Kentucky,
Union Pacific,

AND OTHER SUBSIDIZED RAILROADS.

By JOHN R. ROBINSON.

SAN FRANCISCO, CAL.
1894.

Price, 25 Cents.

To avoid unnecessary repetition and verbosity, I shall denominate the Directors of the road, Conspirators, the Central Pacific Railroad, C. P., the Union Pacific, U. P., and the Southern Pacific, S. P.

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Railroad History.

The author of this work is familiar with railroad history, having originated and established the first railway paper in the United States—"*The American Railway Times*," Boston, 1849.

The present publication is of the people, for the people, and by *one* of the people. A ready reference, a valuable adjunct to every man's library and worthy of preservation.

It is confidently believed that this Exposé will become a potent factor in the reforms advocated by the people, purify politics, suppress monopolies and trusts and inaugurate an epoch of industrial prosperity under judicious laws and honest and wise administration.

The preparation of this publication was commenced several months ago; first, as a personal matter prompted by a knowledge of the swindle perpetrated by the Directors of the Central Pacific and Southern Pacific Railroads in refusing to account for, and pay the writer the dividends and profits accruing on his stock, and interest and rights in the sale and disposition of his share in the railroad lands. Second, to expose and publish to the people of this Coast in particular, and the country and world at large, their nefarious acts in the management of their trust in the interests of stockholders and the government.

This Exposé and Educator will therefore present new and startling revelations to most of our citizens. The facts are largely compiled from the complaint of Robinson *vs.* Central Pacific Railroad for an accounting, filed March 15th, 1876, and the evidence adduced before the United States Congressional Railway Commission, 1887, and continued down to the present time, constituting a record excelling in infamy the recent Panama Canal Scandal.

The attorneys in the case were Alfred A. Cohen and Delos Lake. Let it be remembered that Cohen had formerly held confidential social and business relations with the five original Directors, viz: Stanford, Huntington, Hopkins, Charles and E. B. Crocker. The statements, therefore, may be regarded as truthful and reliable as they are astounding.

ONE OF THE FIRST CORPORATORS.

I was one of the corporators from California of the Overland Railroad by the Act of Congress, July 1st, 1862. Received stock for services rendered, valued at the time of the commencement of my suit, March 15th, 1876, at one million two hundred thousand dollars ($1,200,000), and 15,050 acres of land, that the railroad attempted to swindle me out of.

It is notorious that they have extorted, stolen and robbed the public of more than $200,000,000, and the following details of the management will prove rich and racy reading. It was also intended to make it somewhat local in its developments and application, but the proceedings and testimony adduced by the Congressional Commission in 1887 applies with equal pertinency and force to the Union Pacific and other subsidized roads, making a chapter of consummate villainies unknown to the present corrupt age, and requiring redress by the unquestioned arbiter—the people.

COST OF THE C. P. RAILROAD.

The C. P. Railroad was incorporated June 27th, 1861, with a capital stock of $8,500,000, divided into 85,000 shares of $100 each.

Only 1,250 shares were subscribed at the date of incorporation by 28 subscribers. Subsequently there was issued to Sacramento County, 3000 shares, Placer County, 2500 shares, Samuel Hooper, 50 shares, B. T. Reid, 50 shares, Glidden & Williams, 125 shares, O. D. Lambard, 120 shares, C. A. Lambard, 200 shares, Anne F. Judah, 25 shares, S. P. Shaw, 50 shares, and about 900 shares to divers individuals, to the writer unknown, aggregating about 8,495 shares.

Let it be borne in mind that these conspirators were trustees of the stockholders of the C. P. and that they subscribed for only 650 shares, and quoting the language of the complaint: "The plaintiff is informed and believes that the said last named defendants did not, nor did either of them ever pay to said corporation or deliver to it, any money or valuable thing for the shares of capital stock so purporting to have been issued" to them, "but in truth and in fact the whole of such stock was issued without any consideration, illegally, in fraud and violation of the Statute in such case made and provided, and in fraud of the rights of the plaintiff and other stockholders of the C. P."

SETTLEMENT BY COLLUSION OF ROBINSON'S SUIT AT $1,700 PER SHARE!! IF RUMOR IS TRUE IT WAS $14,705.95 PER SHARE.

"Politics make strange bedfellows." Cohen was their confidential agent and friend; negotiated and sold the Oakland and Alameda Railroads and Ferries to them; was also part owner and interested in lands in the vicinity of Fourth and Townsend Streets that the C. P. required and purchased. Subsequently ascertaining that Cohen, their agent, made a good profit on his investment, the C. P. sued him for fraud, alleging that because Cohen was their agent, he should not have charged them any advance and profit. It was a lively fight. Cohen beat them; and he learning I had stock sent for me, resulting in a contract to institute a suit for an accounting. Cohen subsequently procured 24 shares from three parties in Sacramento. After litigating more than a year, he compromised by allowing the C. P. to take judgment, and paying, as Cohen represented to me $1,700 per share, but from information and belief, he received $500,000, nearly $15,000 per share, and compelled the C. P. to employ and retain him and his associate counsel, Judge Lake, at large salaries till they died. Under the above reported settlement of $500,000, I was entitled to $72,794.11, for which I received only $8,000, Cohen retaining the difference, viz: swindling me out of $64,794.11.

Pursuing this matter a little further; after Cohen had compromised, he then as the C. P. attorney, at the investigation of the Congressional Committee in this city, advised his client and employer, Gov. Stanford, not to furnish the books and records nor answer pertinent questions. The Commission appealed to the U. S. Circuit Court, praying the Court to compel the witness, Stanford, to answer, and to enforce obedience to its mandate and its process.

The argument was heard by Justices Field, Sawyer, Sabin and Hoffman. The court denied the application and dismissed the petition, Judge Hoffman dissenting. Aug. 29, 1876.

When Cohen was prosecuting the C. P., he arrested Stanford for not producing the records; but when as his counsel he advised him not to answer questions of similar import. In the former case Cohen was fighting the railroad conspirators, apparently for spite and all he could squeeze out of them as a contingency in my case.

Cohen, who held such confidential and intimate relations with the conspirators, says: "That the first 7 18/100 miles of the Cen. Pac. Railroad was actually constructed for a little less than $11,500 per mile, and that the actual cost of the next succeeding 150 miles was less than $42,000 per mile, that the actual cost of the rest of the said road and telegraph line for a distance of 627 33/100 miles, was less than $21,000, and that the total cost of the Cen. Pac. Railroad was only $19,222,956.67."

SUBSIDIES, DONATIONS AND STEALINGS.

Here follows some of the subsidies, items and aids to the Cen. Pac., to wit:

Ten million and forty-one thousand and six hundred acres of public lands to the value of fifty million two hundred and eight thousand dollars (50,208,000).

Lands granted by various states and corporations and subsidies to wit:

Lands granted within the State of California of the value of	$ 5,000,000.00
Lands within the State of Nevada	3,000,000.00
Lands within the Territory of Utah	2,000,000.00
Donation by California	1,500,000.00
Bonds on which the State of California guaranteed the interest	12,000,000.00
Bonds of Placer County	250,000.00
Bonds of Sacramento County	300,000.00
Bonds of San Francisco County	400,000.00
Bonds of the United States	27,389,120.00
First Mortgage Bonds	27,389,120.00
Second Mortgage Bonds delivered to Stanford, C. & E. B. Crocker, Huntington, Hopkins, A. P. Stanford as above charged	15,601,741.83
Second Mortgage Bonds issued and sold as above charged	11,787,878.17
Total	$156,825,860.00
Total Cost of C. P.	19,222,956.67
Profits (stealings)	$137,602,403.33

COMBINATIONS WITH THEMSELVES.

"That the conspirators and their confederates, then composing a majority of the Directors, did combine and confederate together, to defraud and cheat the plaintiff and other stockholders, and to secure to *themselves* great profits, advantages and gains, entered into an arrangement among *themselves* under the name of C. Crocker & Co., and from that time, under that name, contracted with themselves to construct the C. P., prior to Nov. 1st, 1867, at prices exorbitant and excessive, to wit: at the rate of 200% over and above the actual cost and expense of the work done, and the materials, furniture, and equipments furnished, whereby the conspirators did receive and appropriate to their own use, and did vote to themselves, being Directors, with intent to defraud and cheat the plaintiff and other stockholders the sum of seven million dollars ($7,000,000) over and above the actual cost of the work done and materials, furniture and equipments furnished."

CONTRACT AND FINANCE COMPANY INCORPORATED.

"That afterward to wit, on or about Nov. 18th, 1867, these conspirators combined and confederated together to cheat and defraud the plaintiff and other stockholders, by organizing *themselves* and some of their servants and employees into a corporation styled the "Contract and Finance Co." and that from and after the organization of the said "Contract and Finance Co.," all the contracts made and work done in the construction and equipment of the C. P. was let to *themselves*, the "Contract and Finance Co.," without advertising to let the same to the lowest bidder or in any manner inviting competition.

The "Contract and Finance Co." subsequently sublet the greater portion of the work of construction at more than ten hundred per cent. below the prices the conspirators agreed to pay *themselves*. *The Contract and Finance Co. voted to themselves $225,855,618.17.*

"That under the fraudulent and illegal pretense of paying *themselves* for materials and construction of the C. P. by *themselves* and under the name of the "Contract and Finance Co.," they voted to and did from time to time pay and deliver to *themselves* (the Contract and Finance Co.) large sums of money, bonds, lands and other assets, of the value of two hundred and fifty-five million eight hundred and fifty-five thousand six hundred and eighteen dollars and seventeen cents ($255,855,618.17)."

That said last mentioned moneys, bonds, subsidies, lands and other valuable assets so made over and transferred and delivered to said "Contract and Finance Co." were in value in excess to wit: to the amount of two hundred and six millions six hundred and thirty-two thousand six hundred and sixty-one dollars and fifty and one-third cents ($206,632,661.50⅓) of the actual cost of and a fair price for all materials, furniture and equipments furnished by and work done by said

"Contract and Finance Co." or by its sub-contractors and employes in the construction of said railroad and telegraph line and the appurtenances thereof, and in said last mentioned sum in excess of the sum in which the same could have been let out for, and contracted to be done and furnished for, by responsible persons and firms who did not intend to cheat and defraud the said C. P., this plaintiff and the other stockholders. The said conspirators on or about the 30th day of July, 1869, divided among *themselves*, under the name of the "Contract and Finance Co.," the said sum of two hundred and six million six hundred and thirty-two thousand six hundred and sixty-one dollars and fifty and one-third cents ($206,632,661.50⅓) was so divided in equal proportions among the said conspirators, the whole of said sum ought in justice and equity to belong to the C. P. for the benefit of the stockholders.

WHILE TRUSTEES FOR THE STOCKHOLDERS AND GOVERNMENT, THEY STOLE EVERYTHING THEY COULD LAY THEIR HANDS ON.

This monopoly originally created for, and subsidised by, the people has been perverted from its original design, and its properties of every description by fraud and villainy conveyed into the capacious maw of five of the most unconscionable cormorants and thieves known to civilization. These infamies demand avenging at the public's hands.

All the bonds issued and the grants of public lands authorised by congress and states, counties and cities, and lands donated by municipal bodies politic and corporations and individuals have all been delivered and made over to the conspirators, and have been sold or disposed of, or are fraudently retained by them. Every known subterfuge, dodge, deceit, trickery and corruption has been evolved for their nefarious uses and designs.

THE CONTRACT WITH WELLS-FARGO AND COMPANY'S EXPRESS.

That for the purpose of cheating and defrauding the plaintiff and other stock-holders—between the first day of May, 1869, and the first day of April, 1870, the conspirators entered into an arrangement with Wells, Fargo & Co. by granting the said Wells, Fargo & Co. the exclusive right and monopoly of running express freight trains, and carrying and transporting express freight and express packages and bullion over said C. P's line of railway, that in consideration thereof Wells, Fargo & Co. increased or watered their capital stock from $10,000,000 to $15,000,000, and delivered and made over to these said conspirators as a bribe for their personal use and benefit, without any consideration except the making of said contract in the name of said C. P. one and one half millions of said watered stock, and the said conspirators have been and now claim to be the owners of said stock of the value of $1,500,000.

The foregoing description of collusion between Wells, Fargo & Co. and the C. P. explains the exorbitant and extortionate charges for express matter by Wells, Fargo & Co. The watering and issuing $5,000,000 additional stock necessarily require heavy additional charges to enable them to declare and pay their regular dividends of eight per cent.

WELLS-FARGO AGAIN.

New contract with the big railroad. Privileges of the Southern Pacific obtained on good terms October, 1893.

"Considerable interest attaches to the renewal of the contract between the Southern Pacific and Wells, Fargo & Co., giving to the latter exclusive privileges of the big railroad system for twenty-one years more, beginning January 1st, 1894. The contract has just been signed by the chief officers of both companies, with the previous consent of a majority of the stockholders of the express company, but subject, of course, to the formal ratification at a special stockholders' meeting to be held at an early date.

If there is any significance in the early renewal (the old contract expired on January 1st, 1894), there would seem to be yet more significance in the exceedingly favorable terms which the express company obtained as compared with former contracts.

The first contract between the C. P. and Wells, Fargo & Co., was in 1866; for fifteen years, the express company paying $1,660,000 of its stock for the facilities acquired. The second contract was for twelve years, from January 1st, 1881, to January 1st, 1894, for $1,250,000 of the express company's stock.

It will be seen from this that the express company has hitherto paid more than $100,000 a year for the privileges up to the present time.

Under the terms of the new contract Wells, Fargo & Co. pay to the S. P. Co. $1,750,000 of new stock in advance, in consideration of the privileges of the railroad system. This amounts to only $83,333 a year, so that the franchise would appear to have diminished instead of increased in value. This of course is not the case; but Wells, Fargo & Co. were in a position to make demands, and the S. P. is not refusing money in these hard times. President Huntington admitted that it was a very handsome bargain for the express company.

Express rates from New York to San Francisco $14.50 per hundred lbs. The so-called "package rates" are nothing more or less than an imposition, as for instance, should packages be shipped from *one shipper* to *one consignee*, and on account of the contents to protect them from damage they should happen to be better protected to put in small packages and they should happen to weigh 10½ or 15½ lbs., *each* package would be charged as follows: 10½ at $2.35 and the 15½-lb. parcel at $3.00. They refuse to add them together except where they weigh over 20 lbs. each, and then only when they aggregate over 50 lbs. Furthermore, it is an every-day occurrence that parcels are shipped from New York and get separated on the way, one arriving one day ahead of the other; then they again apply their "*package rates.*" When a number of packages arrive at one time shipped by different parties they always charge each one up separate "package rates" again. In this manner thousands of dollars are filched from the express shippers of this city. Any package shipped from any point by any express company other than Wells, Fargo & Co. and turned over to Wells, Fargo & Co. at Missouri river points is made to pay local rates, which, in some cases, bring the charges up to 25c per lb. When it is considered that the freight rate on dry goods is and has been $1.00 to $2.50 per hundred, it seems that $14.50 per hundred is sufficient without further gouging their patrons. From the nature of some lines of business it is imperative that goods must have quick transit and on this account must be shipped by express.

RAILROAD LAND CONVEYED TO B. B. REDDING.

The conspirators conveyed to B. B. Redding a large part of their most valuable lands in trust, with the secret understanding and agreement that he should hold and from time to time dispose of said lands for the benefit of the conspirators. These lands were and are of value to wit: of not less than $50,208,000; that all moneys received from the said lands has been paid to the conspirators.

RECEIPTS FOR FREIGHT AND PASSENGERS UP TO DECEMBER 31, 1875.

That from the completion of the C. P. up to the 31st day of Dec., 1875, the C. P. received for freight and passengers the sum of $55,133,364.89, and during the same period $3,000,000 for telegraph messages over its telegraph lines.

A HUNDRED MILLION DOLLARS STOLEN.

That a dividend of one hundred million dollars (100,000,000) might be declared and divided among the stockholders of the C. P., leaving a large sinking fund in the hands of the treasurer, if said conspirators would make an honest and correct statement of the actual cost of the railroad and telegraph lines of the C. P., over and above all the lands granted by the United States and received by the conspirators in the name of Charles Crocker & Co. and the Contract and Finance Co., and divided among *themselves*. These illegal and self constituted directors refused to account to the stockholders in any manner, their doings and expenditures spent in furnishing and equipping and operating the railroad and telegraph lines, or of the disposition made by them of the subsidies, moneys, properties, earnings, and assets received by them.

SAMUEL BRANNAN'S SUIT FOR AN ACCOUNTING OF 200 SHARES AND ROBINSON ET AL. FOR 34 SHARES.

That on or about April 10th, 1870, Samuel Brannan commenced a suit against the C. P. for an accounting of 200 shares of stock; the conspirators learning thereof, procured from Brannan's attorney a draft and copy of the intended complaint, and immediately thereafter commenced purchasing all the stock they could get, at any and all prices from a few dollars to as high as $400, $650 and $1,000 per share. That subsequently on the 15th day of March, 1876, the writer commenced an action for an accounting, and after a lively contest of more than a year, having Stanford and Miller arrested and up before the Police Court for refusing to produce their books and records, the erudite and immaculate Judge came to their rescue by deciding "I was not a stockholder," "notwithstanding Cohen subsequently reported the C. P. paid him $1,700 per share for what the Police Judge said I had no claim to." See the following:

NEW YORK, July 8th, 1862.

DEAR SIR:

Please find enclosed 10 shares of stock C. P. R. R. Co. of Cal. Sign the foregoing receipt and proxy and forward to me, care of S. T. M. Davis, 47 Exchange Place, N. Y.

Truly yours,
T. D. JUDAH.

"I do not know yet when I shall get off."

Directed: "JOHN R. ROBINSON, Esq.,
Care Hon. A. A. Sargent,
Washington, D. C."

HUNTINGTON'S DEMENTIA.

During this protracted trial, Mr. Huntington was put on the witness stand with a view of getting his testimony, but his memory suddenly proved treacherous, and he became the butt and derision of the press and public; his dementia was so potent and startling among his friends, that they apprehended the necessity of his examination before the commissioners of insanity, but immediately after his examination he recovered.

INTENTIONS OF THE CONSPIRATORS FROM THE FIRST.

It is evident that the intentions of the conspirators from the very first was by fraud, deceit, concealment, exortion and cheating, to prostitute their trust by the accumulation of immense wealth at the expense of innocent stockholders. No devise was too mean, contemptible and criminal for the execution of their base ends. Although they originally subscribed for only 150 shares of stock each, if the truth was told they never contributed one dollar, but by chicanery and deceit purchased every share of stock possible, at any and all prices, as heretofore described in the suits of Brannan and Robinson.

ILL GOTTEN GAINS ACQUIRED.

All their ill gotten wealth has been accumulated by subsidies from the United States Government, states, territories, counties, cities, towns and corporations, and to cover up their transactions to cheat and defraud the plaintiff and other stockholders, they used the name firm of Charles Crocker & Co. and the Contract and Finance Co., composed of themselves.

IMMENSE SUMS EXPENDED IN LOBBYING AND BRIBERY.

"That in procuring railroad companies to be organized, subsidies granted, and themselves to become stockholders and directors thereof, they had expended large sums of money of the C. P. that in justice and equity belonged to the plaintiff and other stockholders; that the said money was expended in lobbying and buying congressional and legislative votes and perverting legislation in favor of their fraudulent schemes. That some of the corporations, to wit: Southern Pacific, San Joaquin Valley and California and Oregon Railroads, were organized and established by the conspirators for the purpose of preventing all competition with other enterprises for their private emolument, and in fraud of the stockholders of the C. P."

CONTROVERSY WITH AND RUIN OF SACRAMENTO UNION.

That sometime in 1869 the conspirators being engaged in a controversy with the *Sacramento Union*, and for the purpose of injuring and destroying the prosperity of said *Sacramento Union* established or purchased a certain newspaper in Sacramento, known as the *Sacramento Record*. For the purpose of enabling said *Sacra-*

mento Record to injure and destroy the business and financial credit of said *Sacramento Union*, and to prevent it printing, publishing and exposing the acts and doings of said conspirators, they advanced from time to time to W. H. Mills and the Sacramento Publishing Co. a large sum of money to wit: the sum of $200,000 in gold coin. That on and about the 20th day of February, 1875, the Sacramento Publishing Co. and W. H. Mills purchased the *Sacramento Union* and the good will and property thereof for the sum of $55,000 and the said sum of $55,000 was paid by the C. P. That the conspirators, the Sacramento Publishing Co. and W. H. Mills claim to be the owners of said newspapers, but the plaintiff avers that the same are held in trust for said C. P. That all the moneys so as aforesaid paid, were paid from the moneys and assets of the C. P. under the name of Charles Crocker & Co. and the Contract and Finance Co. and not otherwise."

The conspirators allow no opposition or competiton but by every means and device in their power crush every attempt at competitive enterprises no matter how formidable or insignificant. Nothing is allowed to stand in the way of this poluting and criminal monopoly.

"THESE CLAMOROUS ENORMITIES HAVE GROWN TOO BIG FOR LAW OR SHAME!"

"Is it not true that in our great State of California the manhood has become so prostituted that the election to legislature as representative of Democratic or Republican parties, is as a rule putting the brand upon him. 'This man is for sale to the highest bidder, and he invites the patronage of corporations and combines, who traffic in men's honor to come and buy him?'

Since the civil war, degeneration has been going on until wrecked and prostituted manhood obtrudes itself, viciously, power drunk and arrogant, a spectacle to fill a common right thinking citizen's soul with horror and terrifying apprehension. For the past thirty years or more California has been in the grip of a monster corporation, powerful as it has been unscrupulous, criminal, venal, oppressive, unmerciful and autocratic.

It has owned body and soul, year out and year in, the officials of every branch of our government, state or minor division thereof, executive, legislative and judiciary, from highest to lowest, all or partially, as needed by it and as provided for it, in its machinations for conquest and peculation, and the over-riding of every right of citizens standing in its way.

The Kentucky Corporation known as the S. P. Co., together with its antecedent organizations, has betrayed and prostituted the manhood of California, until it has hidden hirelings in every branch of government, and chiefest officials and judiciaries, are but common wantons of corruption, subject to its will. Is this over-drawn? Is it untrue? Why the very creatures described, these very chattels in the service of this corporation, even these will not deny it, but rather are proud of it.

So soon as any man has risen anywhere in the State, with brain and talent, gifted to lead and to hold position of trust among his fellowmen, has acquired any prominence for force and a disposition to make himself felt, so soon has this octopus, this corporation dictator, bought him if purchasable, or if possible destroyed him if unpurchasable.

Nothing has been allowed to stand in the way of this fearful monster in its acquirements, everything has paid tribute, has been crushed out, enslaved, or prostituted for its use and purposes.

The brightest, ablest lawyers, the most brilliant statesmen, most learned judges on Supreme bench or that of inferior courts, professors, and most prominent divines, all have been gathered in and made subservient to this unscrupulous and most powerful corporation.

To-day a man without a "pull," without a backing of the S. P. and its kindred corporations is a nobody. Today a man who prates of honesty in politics, faithfulness in positions of public trust, a loyal serving of the people who have chosen the servant in any particular office, is set down as a simple minded man and is hooted at in derision by those in temporary place and power. Is it not true that this is the fact? Has not California's bright manhood been prostituted?

I contend that the foregoing indictment is true. Being true, is it not deplorable, is it not appalling to the average common citizen, who craves but his rights under a free government such as our constitution is supposed to vouchsafe?"

PRESENT HOLDINGS OF THE C. P. AND THE S. P.

Recent reports of the holdings of the C. P. and the S. P. are 3,498 miles of railroads, telegraphs and equipments that have cost three hundred and twenty-four million nine hundred and twenty-six thousand and four hundred and eighty dollars ($324,926,480.00) averaging per mile $92,889.80, requiring at a conservative estimate an annual tax of $30 for every man, woman and child in the State of California, aggregating thirty six million dollars ($36,000,000.00); here is the explanation of hard times.

After deducting say $4,000 per mile, aggregating $14,000,000 per annum for operating expenses, the balance of $22,000,000 goes into the pockets of four fraudulent stockholders and bloated bond holders and their confederates and dupes, piling up a watered and pretended cost of about $93,000 per mile ! !

Was there ever before perpetrated such stupendous fraud and rascality?

At a liberal estimate, these holdings did not cost over $30,000 per mile, a total of $105,000,000, leaving a balance of $226,000,000, that these *enterprising* and *conscientious* trustees have appropriated to themselves!! Their past and present practice has been and is to pile up costs, water stock and sell bonds.

The President in his message to Congress, Jan. 17th, 1888, transmitting the Commissioners Report, says:

"These reports exhibit such transactions and schemes connected with the construction of the aided roads and their management, and suggest the invention of such devices on the part of those having them in charge, for the apparent purpose of *defeating* any chance for the government's reimbursement, that any adjustment or plan of settlement should be predicated upon the substantial interests of the government, rather than any forbearance or generosity *deserved* by the companies." He further says: "I have been furnished with a statement, or argument, in defence of transactions connected with the construction of the C. P. road and its branch lines, from which it may not be amiss to quote for the purpose of showing how some of the operations of the directors of such a road, strongly condemned by the commissioners, are defended by the directors themselves.

After speaking of a contract for the construction of one of these branch lines by the corporation called the Contract and Finance Company, owned by certain directors of the C. P., this language is used:

"It may be said of this contract as of many others that were let to the different construction companies in which the directors of the C. P. have been stockholders, that they built the road with the moneys furnished by *themselves*, and had the road for their outlay.—In other words, they paid to the Construction Company (themselves) the bonds and stocks of the railroad so constructed, and waited until such time as they could develop sufficient business on the road built, to induce the public to buy the bonds or the stock. In other words they contracted with *themselves*, paid *themselves* out of monies received from subsidies—and they palmed off on the public their bonds and stocks on a fraudulent, pretended cost of from 400 to 1000 per cent over and above the actual cost.

And when it was said they were trustees, if they did occupy such relation it was merely technical, for they represented only their own interests on both sides, there being no one else concerned in the transaction.

By an act passed in 1862 it was provided that there should be advanced to said companies by the United States, to aid in such construction, the bonds of the Government amounting to $16,000 for every mile constructed, as often as a section of forty miles of said road should be built: that there should also be granted to said Companies upon completion of every section of forty miles of said road, five entire sections of public land for each mile so built.

The issue and delivery to said companies of said bonds should constitute a first mortgage on the whole line of their roads, and their rolling stock, fixtures and property of every kind and description.

But the projectors of these roads were not content.—Two years after the passage of the law, it was supplemented and amended in various important particulars, in favor of these companies, by an act which provided, among other things, that the bonds at the rates already specified, should be delivered upon the completion of sections of 20 miles in length instead of 40; that the lands to be conveyed to said Companies should be ten sections instead of five; * * * and that the lein of the United States, * * * should become a junior lein and be subordinated to a mortgage which the Companies were by the amendatory act authorized to execute to secure bonds which they might from time to time issue in sums not exceeding the amount of the United States bonds which should be advanced to them. Under the operation of these laws, the principal of the bonds which have been advanced is $64,023,512, * * * the interest to November 1st, 1887 is calculated to be $76,024,206.58, making an aggregate at the date named of $140,047,718.58. The interest calculated to the maturity of the bonds added to the principal produces an aggregate of $178,884,759.50. Against these amounts there has been repaid by the Companies, the sum of $30,955,039.61. It is astonishing that the claim should be made that the directors of these roads owed no duty except to themselves in their construction, that they need regard no interest but their own, and that they were justified in contracting with *themselves* and making such bargains as resulted in conveying to their pockets all the assets of the Companies."

TESTIMONY TAKEN BY THE CONGRESSIONAL COMMISSION.

In the further elaboration and discussion of this subject, it will be my aim to avoid verbosity and confine myself to developments and facts of more than ordinary interest to the public, derived principally from the sworn statements of the managers of Pacific subsidized railroads before the Congressional Pacific Railway Commission in 1887. Their figures and conclusions do not materially conflict with the Complaint of the writer in 1876. Where discrepancies appear let it be borne in mind that in my suit they were furnished by Cohen who was more familiar with their affairs than any one member of the corporation, and in many cases with them all combined; while on the other hand the testimony was long drawn out with great reluctance or refused and withheld entirely.

The accounts of these roads were made up to the 31st of December, 1886, by the commission. The total funded debt of the Union Pacific Railway Company at that date exclusive of the indebtedness to the United States was $81,969,127.60. At the above date the U. P. consisted of the main line from Omaha to Ogden of 1038 miles. The Kansas Pacific from Kansas City to Denver, 639 miles. From Denver to Cheyenne, 106 miles. From Leavenworth to Lawrence, 32 miles. Total, 1815 miles.

UNION PACIFIC AND CONNECTING SUBSIDIZED ROADS.

The Indebtedness of the U. P. R. to Nov. 1st, 1887, was as follows:

Union Pacific Railroad	$ 27,236,512.00
Kansas Pacific	6,303,000.00
	$ 33,539,512.00
Interest to maturity, viz: to July 10th, 1897	60,371,121.60
	$ 93,910,633.60
Deduct amount to credit of both companies in bond and interest account to Nov. 1st, 1887	15,540,891.94
Balance due at maturity of bonds	$ 78,369,741.66
Add to this funded debt as per above	81,969,127.50
Total Indebtedness	$160,338,869.16

CENTRAL PACIFIC.

The condition of the C. P. R. and its relations to the government.

The subsidized portion of the C. P. R. extends from a point five miles west of Ogden to Sacramento, 737½ miles, and from Sacramento to San Jose, 126.16 miles. (This portion was formerly known as the Western Pacific Railroad). Total, 860.66 miles.

The government subsidy (bonds) quoted to the C. P. was $25,885,120; to W. P. R., $1,970,560; Total, $27,855,680.

The C. P. R. as it now exists contains by consolidation a large number of branches, extensions, and in fact all that it could gobble up by fair or foul means that are not subsidized.

The bonded debt, exclusive of the amount due the United States on Nov. 1st, 1887, was as follows:

First Mortgage	$ 25,878,000.00
California and Oregon	11,800,000.00
Western Pacific	2,755,000.00
Land Grant First Mortgage	4,570,000.00
Fifty year Bonds of 1886	7,068,000.00
San Joaquin Valley Railroad	6,080,000.00
California State Aid	264,000.00
San Francisco, Oakland and Alameda	687,000.00
Income Bonds	3,285,000.00
	$ 62,387,000.00
Principal and interest at maturity	71,792,524.65
Total	$134,179,524.65

"The recovery of misappropriated assets from the officers and directors of the C. P. R. Co. justifies the assertion that the deplorable and defenseless financial condition of that company has been caused by the incessant depletion of its treasury, and misappropriation of its property by those whose duty it was to protect and defend the Company." In the event of an enforcement of the statutory leins against these companies, it could hardly be expected that any bid in excess of the amount due on the first mortgage bonds would be made; the probable result would be, that the indebted corporation or some of its prominent officers acting in their behalf would acquire the title to the road; so that the ultimate effect would be merely presenting to them as a gift substantially the whole amount due to the United States."

PROFLIGATE AND WANTON DISPERSION.

"The financial inability of the company to meet the requirements of their obligations is the result of the profligate and wanton dispersion of the assets of the company in dividends, the aggregate of which exceed $34,000,000, and the extravagant contracts persisted in to the present time, as evidenced in the case of the construction contracts for the northerly end of the California and Oregon Railroad by the Improvement Company, entered into in October, 1886."

GOVERNMENT AID FURNISHED THE SUBSIDIZED ROADS.

Here follows a statement of the aid furnished the several subsidized railroad companies by the United States:

BONDS.

Union Pacific	$27,236,512.00
Kansas Pacific	6,303,000.00
Central Branch Union Pacific	1,600,000.00
Sioux City and Pacific	1,628,320.00
Central Pacific	25,885,120.00
Western Pacific	1,970,500.00
	$64,623,452.00

LANDS.

	ACRES.	RATE PER ACRE.	VALUE.
Union Pacific	11,309,844	$1.25	$14,137,305.00
Kansas Pacific	6,000,000	1.25	7,500,000.00
Central Branch Union Pacific..............	222,500	1.25	278,200.00
Sioux City and Pacific....	43,336	1.25	54,170.00
Central Pacific............	8,000,000	1.25	10,000,000.00
Western Pacific....	453,749	1.25	567,243.00
	26,029,534		$32,536,918.00
			64,623,452.00
Total Bonds and Lands,			$97,160,370.00

"The explanation of the constant and restless discussion and inquiry which has for many years pervaded Congress, the press, it may be said, the whole people of this country, in relation to these Pacific Companies, is certainly due to the fact that there exists a settled conviction that by the application of ingeniously contrived devices in the construction and operation of these railways, the bounty of the government, intended for the support, development and insurance of the financial strength of these corporations, has been slowly but surely filtered into the pockets of a few favored officers and managers, who have not scrupled to use their powers as directors and trustees for their own personal advantages."

THE UNION PACIFIC RAILROAD.

This road from Omaha to Ogden was constructed under three contracts, known as the *Hoxie Contract*, the *Ames Contract* and the *Davis Contract*. "Through the intervention of assignments made by the holders of these contracts to trustees, and through the intervention of a construction company known as the 'Credit Mobilier of America,' the profits derived from the contracts were secured to the officers and promoters of the U. P. R. R. itself.

The persons who received these profits determined the amount thereof by their own votes."—

The results of these contracts were as follows:

Cost to R. R. Co. of Hoxie Contract	$12,974,416.24
" " " " " " Ames Contract	57,140,102.24
" " " " " " Davis Contract	23,431,768.10
Total Cost	$93,546,286.58
($90,766 per mile.)	
Cost to Contractors of Hoxie Contract	$ 7,806,183.33
" " " " Ames Contract	27,285,141.99
" " " " Davis Contract	15,629,633.62
Total Cost	$50,720,958.94
Profits—Stealings—	$42,825,328.34
To this should be added the amount paid Credit Mobiliers on account of 58 miles	$ 1,104,000.00
Total profit on Construction	$43,929,328.34
(Or $42,710 profit per mile!)	

The stealings acquired from the Hoxie Contract were secured by an assignment to T. C. Durant, C. S. Bushnell, C. A. Lambard and H. C. McComb (all Directors of the U. P. R. R. Co.) and Gray. The stealings from the Ames Contract to the stockholders of the Credit Mobiliers, and the contract was assigned to Durant, Oliver Ames, J. B. Alley. Sidney Dillon, C. S. Bushnell, H. S. McCord, and B. E. Bates, all of whom were stockholders in the U. P. R. R. Co. and the Credit Mobilier. The stealings from the Davis Contract were secured to the Credit Mobilier stockholders by an assignment to the same trustees.

The Earnings of the U. P. R. R. from 1870 to 1879, inclusive, were	$109,017,066.77
Operating Expenses for same period	50,659,883.04
Net Earnings for ten years	58,357,183.73

JAY GOULD'S HANDIWORK.

Jay Gould took a hand in the U. P. in 1873, purchasing a controlling interest of 100,000 shares of its capital stock, and subsequently increased it to 200,000 shares. He then made matters very lively from that time till Jan. 10th, 1880, when he retired from the directory.

He applied himself to getting control of the several roads, having connections with the U. P., and employed all artifices known to that unscrupulous operator. Sometimes by accommodating the other directors with small portions of the stocks and interests of his purchases, at other times intimidating and forcing them to sanction his operations by threats to build competing lines, and every other device known to that wily schemer. At one time threatening to construct a competing road from St. Louis, by extending the Kansas Pacific through the Loveland Pass to Salt Lake City, and thence to San Francisco by the Central Pacific.

When asked how great an injury the construction of this projected road would have been to the U. P., his answer was, "It would have destroyed it."

He at first failed to obtain the consent of the Boston Directors of the U. P. to his plan of consolidation, with the Kansas Pacific, Missouri Pacific and Central Branch —that he threatened to construct a rival road which he immediately made public, and the effect on those gentlemen although familiar with similiar practices, only not of such astounding magnitude.—"They appear to have been one and all terror stricken.

Subsequently there followed a series of interviews between the Boston Directors and Gould that culminated in a consolidation of these companies at a meeting at Gould's house on the evening of January 14, 1880.—Adding an increase of capital to the already overburdened capitalization of the U. P., of $50,762,300."—

"He dominated the situation"—in other words, "Mr. Gould *willed* it and it was done."

An examination of Gould's account current discloses the enormous amounts obtained from the U. P. in these transactions. The majority commission suppressed this amount but the minority commissioner says—"He closed out his holdings with an enormous aggregate profit of probably $40,000,000.

CENTRAL PACIFIC.

The testimony taken by the commission regarding the construction of the C. P. R. R. is,

"That the first thirty one miles commencing at Sacramento including the expensive structure of the bridge across the American river was $22,250 per mile, and constructed by several small contractors in independent sections. After that time the remainder of the road was built by Charles Crocker & Co. and the Contract and Finance Company the members of the two concerns consisting of *themselves* viz: Stanford, Crocker, Huntington and Hopkins.

The price for grubbing and cleaning the land was $2,000 per mile, excavation, first class, 45 cents per cubic yard; second class, 65 cents per cubic yard; third class, $1.47½ per cubic yard; fourth class, $2.50 per cubic yard; fifth class, $5.00 per cubic yard; sixth class, $8.00 per cubic yard; in tunnels $20.00 per cubic yard. Masonry for the second and third classes, $25.00 per cubic yard; fourth class $20.00 and fifth class, $10.00 per cubic yard.

The first thirteen miles under the Crocker contract cost an average of about $160,000 a mile. These amounts were exclusive of the iron rails.

The total construction under the Crocker & Co. contract was 130 miles, costing in cash and stocks at par value, averaged about $178,000 per mile; total, $23,140,000. The rates appearing on the face of these prices are largely in excess of the prices named by competent witnesses at the time of construction.

"Leland Stanford testified that Charles Crocker had no partners; but it appears from his own evidence that all the stock received by Crocker under these contracts were turned over to the corporation known as the Contract and Finance Co., in which Stanford, Huntington, Hopkins and Crocker were substantially the sole stockholders. It is clearly established by the evidence that these four gentlemen were at all times equally interested in the results of these contracts; and that whether the formal relation of partners existed between them or not, it was understood and agreed between them that they should share equally in all profits of the enterprise."

"In December, 1867, a contract was submitted by Stanford to the Board of Directors of the C. P. R. R. on behalf of the Contract and Finance Co. to construct the road from section 138 to Promontory Point. There were present at that meeting, Stanford, E. B. Crocker, Mark Hopkins and E. H. Miller Jr.—the board accepted the contract on the terms proposed.

The terms of the contract were substantially, $86,000 per mile one half payable in stock. On this contract the road was constructed between the points indicated, a total of 552 miles at a cost of $47,452,000. It is a noticeable fact that Mr. Miller testifies that at the time he voted for this contract and for the Crocker Contract and its extension he was not informed that the Directors of the C. P. were also beneficiaries under the contracts!!

"The commission has made diligent effort to ascertain the actual cost of the construction of the railroad to the "Contract and Finance Co." and in their opinion have arrived at a conclusion which cannot be far from the truth. An accurate answer to this question would be shown by the books of Charles Crocker & Co. and the Contract and Finance Co. These books were not produced, and in the opinion of the commission, were purposely destroyed by the direction of Stanford, Huntington Hopkins and Crocker. The evidence on this point appears to be conclusive.

"In 1870 suits were brought or threatened by C. A. Lambard, Samuel Brannan and others against the conspirators, alleging that they had been guilty of many violations of their duties as directors; and that they had voted profitable contracts to themselves; that by means of the contracts they had procured possession substantially of all the assets of the company remaining after the expenditure of the actual cost of construction. The allegations contained in these complaints were such as would compel men of honor, if these allegations were false to defend themselves at any cost. It appears from the evidence that all these suits were settled, and that the stock owned by the plaintiffs were bought at rates varying from $400 to $1000 a share.

"The evidence on which the successful prosecution of such suits would necessarily depend was contained in the books of Crocker & Co. and of the Contract and Finance Co; because the actual cost of construction to these companies compared with the payments made by the C. P. R. R. Co. would disclose the profits divided between Stanford, Huntington, Hopkins and Crocker. They and they alone were implicated and interested in the suppression of this evidence."

CONGRESSIONAL COMMISSIONERS REPORT, 1887.

"In 1873 the disclosures made by the examinations conducted by the Wilson committee, excited much public attention and indignation with reference to similar practices affecting the U. P. R. R. Co. through the intervention of the Credit Mobilier. Comparatively little attention was given by that committee to the affairs of the C. P. R. R. Co. Mr. Huntington, however, was examined as a witness. He was examined as to the profits resulting from the construction of the C. P. He described them as being confined to the stock of the Company, and that the share received by him amounted to $1,000,000 of this stock."

This evidence was given more than two years after the completion of the C. P., and Mr. Stanford testified that each of the parties in interest received $13,000,000 of the stock of the Company as his share of the profits. Mr. Huntington must, therefore, have known when he was testifying before the Wilson Committee that his statement *was not a true one.* In plainer language, he was a perjurer and a liar! "The recommendation of this committee in regard to the U. P. which was afterward converted into the act of March 3, 1873, directed the Attorney General to prosecute the offending officers of the U. P.

This circumstance, and the danger that similar disclosures would lead to a similar result as to the officers of the C. P. formed another strong inducement for the suppression of books of Charles Crocker & Co. and the Contract and Finance Co."

"The books in question are identified by John Miller, William E. Brown, Daniel Z. Yost and others, as large ledgers and journals containing several hundred pages each, numbering in all from twelve to fifteen volumes; and their disappearance by accident or inadvertance is simply impossible."

Mr. Yost testifies that the last he saw of them, Hopkins was personally engaged in packing them in boxes.

"John Miller testified that he saw the books of both the Contract and Finance Co. and of Charles Crocker & Co., in their usual place in the rooms occupied by the Contract and Finance Co., that he was personally in charge of the rooms during the day from which they disappeared; that he left the room for a short time at the lunch hour, leaving Mr. Brown there, and that on his return the books had disappeared. William E. Brown denies any knowledge of their whereabouts or the circumstances of their disappearance.

Mr. Crocker gives it as his opinion, that the books were destroyed by Mark Hopkins as having no value!!"

"Putting all these facts together, the existence of a strong motive on the part of Stanford, Huntington, Hopkins and Crocker, to suppress the books; the impossibility of accounting for their disappearance, except in pursuance of the act or direction of one of these persons; the evidence of Yost that he saw Hopkins engaged in packing the books in boxes; the evidence of John Miller of their sudden disappearance and the statement of Mr. Crocker, connecting this disappearance with Mark Hopkins—it is impossible to avoid the conclusion that the suppression of these books has been intentional and wilful."

COMMISSIONERS CONCLUSIONS OF COST OF C. P.

It is the judgment and conclusion of the majority commission, that the actual cost of the C. P. from Sacramento to Promontory Point, including the purchase from the U. P. of 47½ miles from Ogden to Promontory Point, a total of 737½ miles, did not exceed the sum of $36,000,000; but the Contract and Finance Co. piled up the cost at nearly $90,000,000. Stanford admitted in his testimony that $54,000,000 of stock distributed by the Contract and Finance Co. to themselves, was substantially a net profit subject to the payment of a debt of the Contract and Finance Co. (to themselves) not exceeding $3,000,000, but the existence of this indebtedness was not satisfactorily proven in the absence of the books.

The conspirators during the construction of the road gave to themselves in lieu of a part of their cash payments, their notes for $6,000,000, and they were subsequently paid to *themselves*, "at the rate of 86½ per cent. the rate being fixed in this, as in all cases, by the vote of," *themselves*.

The C. P. was rapidly approaching Promontory Point in the spring of 1869. At the same time the U. P. had passed Ogden and was also rapidly approaching the same point. The C. P. in the meantime has passed Promontory Point, and for awhile the two roads were engaged in a lively parallel race for additional government bonds; subsequently the race ended by the C. P. buying the U. P's portion west of Ogden 47½ miles for $3,000,000 in bonds, an average of $63,000 per mile. "Grenville M. Dodge was examined as to this construction and the character of the country. He fixed the cost at a high price, not from personal knowledge, his memoranda was evidently prepared by the U. P. for its sale to the C. P." "Dog eat dog."

Here follows in detail the construction of the Western Pacific Railroad; The San Joaquin Valley Railroad; The California and Oregon Railroad.

These and all other roads constructed by the C. P. were let to the Contract and Finance Co., subsequently to the Pacific Improvement Co., formed for the same general purpose, by the four original conspirators: Stanford, Huntington, Hopkins and Crocker. Hopkins having deceased, his interests being represented by his administratrix. No money was ever paid for the stock of any of these companies, the money required being loaned by themselves to themselves. The contract for constructing 103 miles of the California and Oregon Railroad by the C. P. and the conspirators was awarded to the Pacific Improvement Co. by the vote of the four conspirators. The consideration for the construction of these 103 miles was 80,000 shares of stock, $8,000,000 and $4,500,000 of the bonds, all of the C. P. The cost of this completed portion of the road and equipment was only $3,505,609.32. As compensation for this expenditure the conspirators voted to themselves, stocks and bonds of the value of $8,340,000, the Commissioners say, "And this extraordinary transaction is being consummated to-day in the face of this investigation, and in violation of every duty which these directors owe to stockholders of that Company, and the Government as its chief creditor."

RESULTS OF THE DECISION OF THE U. S. COURT, AUGUST 29, 1887.

"The decision of the Court, in the case of the United States vs. The U. P. R. R. to recover misappropriated assets from the directors, that no such suit could be sustained till after the maturity of the debt was unfortunate."

This decision applies with equal force to the C. P. and all subsidized roads. "The application of this principle now under discussion presents the results of this decision with peculiar force. The United States *cannot* sue, because the debt is not *due*. The corporation will not sue, because it is controlled by the *wrong doers*. The stockholders *dare not* sue, because under the laws of California, they are personally liable for the obligations of the Company." The C. P. has constructed or purchased, or by the process of freezing has from time to time acquired possession or control of every competing road possible within their grasp; by every conceivable fair or foul means, and incorporated and consolidated them into their corporation, with a view, and by practice to monoplize and control every transportation enterprise, and in many instances other productive industries.

This octopus is ever reaching out its tentacles, never ceasing in its efforts for supremacy and control. No industry or enterprise however large or insignificant, if tending to the diversion of its profits, interest or power, is allowed to exist and prosper. It is the autocrat and slave driver of the people.

The Commission ascertained from the evidence obtainable at the time of investigation 1887, the cost of construction of the consolidated C. P. of 1,339.56 miles was $58,301,831.85, but the conspirators paid themselves in bonds, stocks and cash $120,730,720.69 leaving as profits $62,428,897.84—between January 1, 1874 and January 1, 1884, the conspirators distributed to themselves in dividends $34,308,055. "The construction and equipment accounts aggregated on the 31st of December, 1886, $165,095,373.71. It is the practice of the C. P. to mortgage all its property, consisting of branches, terminal facilities etc. not subject to the lien of the Government substantially for its full value," thereby keeping up the supply for innocent and credulous investors. The foreclosure of these mortgages would leave the Government with no other security than the main line from Ogden and San Jose.

NO COMMUNICATION WITH SAN FRANCISCO.

Without communication with San Francisco and subject to the first mortgage, the road would not sell to-day for more than the first mortgage bonds.

"The Contract and Finance Co. was dissolved in 1874 and its assets distributed among the four stockholders, Stanford, Huntington, Hopkins and Crocker. Another corporation was formed for the same object, known as the Western Development Co. Its capital stock was the same as the Contract and Finance Co., $5,000,000, and the interests were the same at the inception; one fourth each to Stanford, Huntington, Hopkins and Crocker. Afterwards these four persons transferred one ninth to David D. Colton, retaining two ninths each. Subsequently the Pacific Improvement Co. was formed for the same general purpose. With capital stock $5,000,000. Ownership the same—Hopkins' interest being represented by his administratrix. No money was paid for the stock of any of these Companies, the available funds needed by the Company being in the form of direct loans of money or credit, by themselves for themselves. All contracts made with Crocker & Co., the Contract and Finance Co., the Western Development Co. and the Pacific Improvement Co. by the C. P. were made by themselves to themselves. The same system of determining their benefits by their own votes obtained in matters other than construction. In October, 1869, Stanford, Huntington, Hopkins and Crocker organized a company known as the Pacific Express Company, with the avowed object of doing the express business of the railroad. Before that date this business had been done by Wells, Fargo & Co.

"The Pacific Express Co. did no business and made no progress in the accomplishment of its avowed objects, than to organize. Immediately thereafter, an agreement was made between the Pacific Express Co. and Wells, Fargo & Co. By its terms Wells, Fargo & Co. reorganized on a basis of a capital of $15,000,000. One third of this stock was issued equally to D. O. Mills, Stanford, Hopkins, Crocker, Huntington and Lloyd Tevis. The consideration being that the Pacific Express Co., (C. P. Railroad,) should not engage in the express business for ten years, the time the contract was to run. Wells, Fargo & Co's stock has paid eight per cent dividends ever since the date of the contract, and its renewals, the C. P. agreeing not to do any express business themselve, nor contract with any other concern for similar purposes. In this contract, as with others, the directors of the C. P. used their own votes, from which they derived large and important personal advantages."

USED THEIR OWN VOTES.

"The same practice was employed in the contract for coal from the Rocky Mountain Coal Co., in which these directors, together with David D. Colton, had a large controlling interest. In general it may be said to be established by the evidence, that all the construction contracts and all the important contracts for materials and supplies were made between the C. P. Railroad Co. and Companies controlled by Stanford, Huntington, Hopkins and Crocker. These four persons determined the terms of these contracts, and the result has been that through the payments made by the C. P. R. R. Co., they have received as profits a vast amount of stocks and bonds. Those resulting from the construction contracts above stated, represents over $100,000,000 in stocks and over $50,000,000 in bonds."

THE VERY INCEPTION OF THE CONSPIRATORS.

"It appears from the books of the Company that from the very inception of the enterprise down to the present time, it has been the constant practice of the directors of this Company to permit the expenditures of very large sums of money without requiring any sufficient vouchers disclosing the purposes to which they were applied. The only attempt at justification offered by the officers of the Company for the insufficiency of these vouchers, was the declaration that they did not propose to charge them against the United States in adjusting the percentages of net earnings which the United States was entitled to receive. But this explanation is utterly insufficient. On the face of the books the barren fact appears that Stanford and Huntington have taken from the assets of this Company, over which they have absolute control, the sum of $4,818,355.67."

"There is no room for doubt but a large proportion of this money was used for bribery and influencing elections and legislation. The testimony of Huntington, especially the extracts from his letters to Colton, confirms these statements, and forms the conclusion that large sums of money were expended by himself to defeat the passage of various bills pending in Congress; and from Huntington's statement and letters established the fact that these moneys were used in the Company's business and interests in the Departments at Washington and in Congress. The conclusion is inevitable that it was used for improper purposes."

"For a while Stanford in his testimoney before the Commission, followed the line of indefinite explanation used by Huntington; but when asked the direct question whether he had ever used any of the moneys covered by insufficient vouchers, and bearing his signature, for the purpose of influencing legislation, he declined to answer. Stanford stated to the Commission that in consequence of the early completion in 1869, six years before the time stipulated in the Act of Congress and contract with the United States, the Government saved in transportation over the Union and Central roads, the sum of $47,763,178; the C. P's proportion being 46 per cent., $21,971,062; that these amounts should be allowed by Government by credits of the roads."

The Commission says, "it is somewhat difficult to treat the claim here made with becoming patience." It was a race between the Companies and they consulted their own interests in expediting the work for the control of the Utah trade and to obtain the Government subsidy. Moreover the Company made large earnings immediately after the completion of the road and paid regular dividends from September 13, 1873 on millions of watered stock. They say, "the claim does not deserve the name of equity."

The effrontery of the conspirators of the C. P. to maintain and continue their system of extortions, robberies and monopoly is not equalled by bandits of former ages or train robbers and murderers of present times. They insist, "that the Government had no right to aid any transcontinental line other than the C. P. or U. P. road; or that if it did think proper and conclude to assist in developing other portions of our vast territory by contributing aid and stimulating the business of other railroads, it ought in equity to make good the difference to the C. P.," so as to assume the permanency of its over-grasping and monopolizing accumulations indefinitely. The Commission exclaim—"this claim is simply monstrous."

Stanford in his testimony stated that his company always expected to receive from the United States the same rates for transportation that it had been compelled to pay for transportation by the slow and expensive process of mule and ox teams before the construction of the railroads. He also urged that if such rates had been maintained, his Company would have earned enough to pay its entire indebtedness; and he might have added to the vast uncommutable accumulated fortunes perihelion high. The earnings of the C. P. have been perverted from an honest accumulation of sufficient funds into a sinking fund for the liquidation of the Government bonds and interest to acquiring control and constructing many connecting railroads, lines and branches, afterwards consolidated and leased them to themselves. Subsequently they acquired a charter from the State of Kentucky, under the name of the S. P. Co. of Kentucky. On the 1st of April, 1885, the system was changed and large amounts of stocks heretofore held by the conspirators has been by them converted into stock of the S. P. of Kentucky. The C. P. and all its branches were subsequently leased and transferred to the tender mercies of themselves, the S. P. Co. of Kentucky, for the term of ninety-nine years; thus dishonestly diverting and transferring these valuable franchises and their earnings from the Government equities, fair dealings and securities. It is undoubtedly the scheme and intention of the S. P. of Kentucky to abandon the C. P. to the creditors, having criminally diverted and stolen the assets, credits and resources for the construction of numerous branches, and the competing S. P. of Kentucky line between the tide waters of San Francisco and New Orleans. The result will probably be that the first mortgagees will foreclose and have to take the road—thus swindling the Government out of its claim for

Bonds	$27,885,680.00
Interest due at maturity, November, 18th, 1897	49,248,924.41
Total	$77,134,604.41

less a few million dollars accumulated under the Thurman Act.

UNION PACIFIC RAILROAD.

The comparative insignificance of the cost of construction, management and stealings of subsidized roads that afterwards became integral portions of the U. P. Railroad, namely, the Kansas Pacific, Central Branch and Sioux City and Pacific, and the Western Pacific with the C. P. do not justify further comment. The Act of July 2nd, 1862 required all the bond aided roads to levy assessments on their stockholders of not less than $5.00 per share and at intervals not exceeding six months till the par value of all the shares subscribed should be fully paid. These conditions and obligations were not observed. At the time of the investigation of the Commission, 1887, the outstanding capital of the U. P. was $60,868,500.00, only 16 per cent had been received in cash. The Kansas Pacific issued stock was $9,687,900, no part was issued for cash. The capital stock of the Central Branch, U. P. was $1,000,000 on which

$392,225.53 was received in cash. The capital stock of Sioux City and Pacific Railway Co., as originally intended to be issued, $4,200,000 on which an assessment of $40 per share was levied and paid. The capital stock of the C. P. then outstanding was $68,000,000, not more than $7,000,000 was issued for cash. The capital stock of the Western Pacific Railroad Co. was $7,900,000; not more than $200,000 was received for this stock.

DESTROYED VOUCHERS.

Enormous sums of money have been used by the managers of these roads; no vouchers given for them and no knowledge obtained as to what uses they were put to. R. F. Stevens, an expert reported the sum of $4,818,355.67 had been disbursed by the officers of the C. P. Railroad, and that no sufficient vouchers exist for the same. Expert Clahoun reports that very large amounts expended by the U. P. and Kansas Pacific, are not covered by any vouchers whatever. Expert Perenoud reports that all the vouchers relating to the transactions of Central Branch, U. P. Railroad Co. from 1866 to 1880 are missing. Expert H. J. Anderson reports that all the vouchers of the Sioux City and Pacific Railroad Co. from 1864 to 1880 are missing, with the exception of a few cash vouchers. "It is the judgment of the Commission that moneys of all bond aided roads have been used for improper purposes, and after hearing and reading the testimony of Huntington, Stanford and the Colton letters, the conclusion is irresistible that very large sums of money have been improperly used in influencing legislation and other reprehensible and illegal transactions."

The original amount of stock of the U. P. Railroad was $36,762,300 subsequently up to 1881, to $60,868,500:

The original stock of the C. P. $8,500,000 increased August, 1870 to $100,000,000. Salaries of all the officers of the road have been and are excessive and out of reason, but it would be tiresome, monotonous and supererogation to detail and pursue the investigation and conclusions of the Majority Commissioners report, the Honorable E. Ellery Anderson and David T. Littler.

COMMISSIONER CHAIRMAN'S MINORITY REPORT.

Whatever consolation the robbers and conspirators may take to themselves from the investigation and conclusions of the Commission, the reader will appreciate the fact that the majority report damns them with faint praise. A synopsis of the minority report by Hon. Robert E. Pattison, Chairman, will be perused with far greater interest.

CHAIRMAN PATTISON'S FIGURES.

"The aid extended to the Union and Central Pacific roads and their consolidated branches heretofore enumerated, including bonds, lands, gifts from corporations etc. aggregate at maturity the enormous sum of $447;729,470.54."

The total loan by the Government in principal and interest, will be at maturity $178,884,759.50, toward the payment of which the companies had accumulated only $30,955,039.61; lands $65,533,483.71. The Government pays annually to the holders of the Government bonds as interest $3,877,410.72; the bond aided roads gained a further advantage in the use of this interest money of $199,790,250.19 at the time of the grant.

CASH RECEIVED BY THE UNION PACIFIC.

With all these legal and moral obligations resting upon them, what did these companies do? The U. P. R. R. Co. actually received in cash on account of stock payments, only $400,650, while it issued stock amounting to $36,762,300. The road (1,038.68 miles) was built for $38,824,000 and the company issued bonds and stocks as follows:

First Mortgage Bonds	$27,237,000
United States Bonds	27,236,512
Land Grant Bonds	9,224,000
Income Bonds	9,355,000
Stock	36,762,300
	$109,814,812
Cost of Construction	38,824,000
Profits, Stealings and Fictitious Capital	$ 70,990,812

The road was actually built for less than the first mortgage and Government bonds after allowing for the discount on the bonds.

THE WILSON CONGRESSIONAL COMMISSION.

The Wilson Congressional Committee, which investigated in 1873, said that every precaution that Congress had taken for the proper management of great properties had failed of its purpose. This Committee also reported that large sums of money were borrowed apparently to provide for the necessities of construction, but were distributed in dividends among the corporators; that the stock was not paid for in money; that some of the Government directors neglected their duties, and others were interested in the fraudulent transactions of the company. One of the Commissioner's appointed to pass upon the condition of the road was paid $25,000 for signing an official report accepting as first-class a section 120 miles of the road. The chief engineer, Peter A. Dey, resigned because the Hoxie contract was fixed at $50,000 per mile, though his estimates were only $30,000. His successor, General G. M. Dodge, was interested in contracts for the construction of the road as a stockholder of the credit Mobilier. Oakes Ames who was largely interested in the construction of the road, sold stocks to members of Congress for prices much below the value of the shares, his philosophy being, that although these particular congressmen had favored the U. P. road, "they would take a livelier interest in its affairs if they were protecting their own property!!" G. M. Dodge had been given $24,500 for services rendered in procuring the passage of the Act of March 3rd, 1871. C. S. Bushnell paid T. A. Scott on his (Bushnell's) private account, $19,000; C. S. Bushnell retained $62,500; Governor John A Dix was paid $50,000 as a purchase by the railroad of his stock; C Wendell was paid $25,000 for signing a report accepting the road; an allowance of $423,750.21 was made F. C. Durant for expenses in *passing through Congress* the Amendatory Act of July 2nd, 1864. The C. P. actually received less than $760,000 in cash and bonds on account of stock subscriptions, while it issued stock to the amount of $54,000,000. The C. P's. and Western Pacific's aided portion (860.66 miles) were built for $40,000,000; for which bonds and stocks were issued by the conspirators, Stanford, Huntington, Hopkins and Crocker as follows:

Bonds	$70,211,680
Stock	54,000,000
Total issue of bonds and stocks	$124,211,680
Cost of construction	40,000,000
Stealings, Fictitious capital	$ 84,211,680

The bonds reduced to gold basis, yielded $52,708,742.55; so that the four men who managed that company, profited to the extent of over $12,000,000 in gold, in addition to $52,000,000 of the stock which they divided among themselves, and subsequently sold at high figures after declaring dividends to the amount of $18,457,670. The construction companies or inside combinations that built five of the six roads have destroyed or concealed their books, the exception being the Central Branch. The books of Credit Mobilier which built the U. P.; the books of Contract and Finance Co. which built the Western Pacific from Sacramento to San Jose, and the C. P. from Sacramento to Ogden; the books of Shoemaker & Co. who built the Kansas Pacific; and the accounts of John I Blair who built the Sioux City and Pacific Railroad,—these are all missing. From the minutes and accounts of the railroad companies and from fragmentary information gathered from various sources it is disclosed that the officers of at least three of these companies made *false statements under oath*; they lied; they were perjurers, in affidavits now on file in the Interior Department.

"STOCK TABLE.

COMPANY.	Stock actually paid in.	Stock paid in as sworn to.	Names of Deponents.	Date of Affidavit.
Union Pacific	$400,000	36,782,300	Oliver Ames	Sept. 27, 1870
Kansas Pacific	250,000	5,072,500	R. E. Carr	Sept. 28, 1872
Central Branch	396,700	960,000	R. M. Pomeroy	Sept. 21, 1869
Central Pacific	760,000	54,283,190	L. Stanford	Sept. 18, 1871

These lines were built upon public credit; they were public highways in the broadest sense of the term. The managers were acting as trustees of a national highway, and they cannot plead any lawful justification for making false affidavits;" for willfully and knowingly lying and committing rank perjury when stating that $97,098,590 of stock was actually paid for, when in fact less than $2,000,000 had been paid. Their management has been a national disgrace since the date of its inception.

COMPETITION IS KILLING.

They have always opposed competition, and no device however mean and contemptible, or criminal but what they have adopted to obtain their base ends. Huntington testified, "that competition is killing, and that there ought to be only one railroad for the whole country." All classes especially the whole western country have been compelled to contribute by extortionate rates to the payment of interest and dividends on watered stock and fictitiously created capital. They have constituted themselves arbiters of trade and directors of the channels it should follow. They have expended millions in encroachments upon territory and enterprises claimed by others. They have increased the cost of living.

DISCRIMINATIONS.

"They discriminate between and favor individuals, localities and articles. They destroy competition and build up particular localities to the injury and destruction of others, till it has come to such a pass that no man dares to engage in any enterprise where transportation is largely required, without first asking and obtaining permission of a railroad manager. They exert a terrorism over merchants and communities and the lawful pursuits of the people; they interfere with and dictate elections; they menace business; paralyze capital and retard investment and development. From 1864 to 1869 they claimed that their roads were fully equipped, obtained bonds from the government, declared dividends, but when the United States demanded the percentage, as agreed in the original contract, they refused to make any payments, stating their roads were not *fully completed till 1874 !!*"

RESIST THE DEMANDS OF GOVERNMENT.

They resist the claims and demand of the Government at every point and resort to every device their devilish ingenuity can invent to evade the requirements of the laws. The minority reports that large sums were applied to improper purposes.

THE C. P. DIVERTED MILLIONS.

The C. P. diverted millions by contracts made to themselves, with themselves for construction, leases, repairs, etc. They constructed 1171 miles of adjunct lines at a cost of $27,216,931.01, in addition to a small cash payment, they issued in bonds and stock a total of $82,727,800, of which $55,539,554 was profit or inflation.

LEASES AND CONTRACTS BETWEEN THEMSELVES.

They took leases of their own lines for themselves, the C. P., at a rental of nearly 13 per cent. They contracted with themselves to construct 103 miles of the California and Oregon road to the boundary line for $8,000,000 in stock and $4,500,000 in bonds; the market value at that time was $8,340,000; the road cost $3,505,-

609, they pocketing the difference of $4,834,391 in that single transaction. In following up the transactions of these conspirators, they received in their manipulations under and through the contracts with Crocker & Co., the Contract and Finance Co., the Western Development and Pacific Improvement Co.'s, over $142,000,000; they also made large profits out of 15 or more other companies, thus directly or indirectly sapping the revenues of the C. P. Co.

REFUSED TO TESTIFY ABOUT BRIBES AND LEGAL EXPENSES.

The C. P. expended $4,818,355.67, but the conspirators refuse to give any explanation or permit others to. In 1871 the U. P. report among other interesting transactions, that $247,000 of first mortgage bonds and $110,000 Government bonds; total, $347,000, ought to be on hand, but were not. Large sums were squandered to pay lawyers to influence legislation and legal expenses as follows: U. P. and branches, $2,719,404.20; C. P., general expenses, $2,361,154.88. They refused to patent or apply for patents on 8,872,077 acres of land sold, to avoid paying taxes, unpatented lands being exempt from taxation; the C. P. refused to pay its State taxes for several years. They had grown too large and big for law or shame in this case.

The Governor of California called an extra session of the legislature in 1884 to adopt methods to enforce the law; the C. P. resisted on the grounds that the road was built under the Act of Congress of July 1, 1862, but Stanford insisted before the Congressional Commission in 1887 that the C. P. was a *State and not a Federal* corporation ! !

U. P. USED THE NAMES OF EMPLOYEES.

The U. P. has used the names of its employees to acquire titles to large tracts of coal lands adjoining its mines, thereby evading the laws of Congress restricting entries to associations to not more than three persons.

HAVE NOT SELECTED LANDS TO AVOID PAYING TAXES.

They have not selected 1,829,400 acres of its surveyed land grants in Nebraska for eleven years; it has selected only 640 acres out of 150,000 in Colorado that were surveyed eighteen years ago; only 42,360 out of 400,000 acres in Utah; only 80,317 acres out of 3,300,000 acres in Wyoming, surveyed eleven years ago. Of 4,000,000 acres in Kansas, surveyed and granted to Kansas Pacific, 2,283,329 acres have not been selected in thirteen years. Of 1,200,000 acres in Colorado prior to 1876, less than one-twentieth of the grant has been selected.

The C. P. has selected only one half of its land grant in California that has been surveyed, and has neglected to select 180,000 since the completion of the road. Of its grant in Nevada, 2,700,000 has been surveyed; the company has selected about one fourth. In Utah no lands were selected till nearly fifteen years after the completion of the road.

Had the Pacific Railroad been built by honest men, the companies could have declared six per cent. dividends per annum from the completion of the road. In eighteen years they would have owned 2,945 miles of road free of debt, worth $124,600,000 upon an original outlay of less than $85,490,381.44. Three of them, the Union, Central and Central Pacific branch, could have paid every cent of the principal and interest advanced by the Government and reduced their charges to shippers over $140,000,000, nearly $8,000,000 per year. For every dollar invested and honestly appropriated, it would have yielded in eighteen years, $6.18. But they were thieves and robbers and chose dishonest and wholesale swindling methods. At the outset they divided over $172,347,115 of stealings; they dissipated over $107,000,000 that ought to have been applied to the payment of the principal and interest of the public debt, and they taxed shippers and patrons over $140,000,000; nearly $8,000,000 a year to pay for inflated capital and for vicious practices and management. The Union Pacific and Kansas Pacific (aided roads) could have been constructed for $17,021,488 in addition to the Government subsidy, all debts could have been paid to Dec. 31st, 1886, and from profits of operating the roads and land sales aggregating

$176,294,793.51 the stock could have paid six per cent dividends per annum, and by an original outlay of $17,021,488 which the law required, but which was not made, the company would to-day own a railroad worth at least $79,000,000 and resold lands worth $14,004,240, an accumulation of 447 per cent. in 18 years, while shippers and patrons would have been benefited and development of tributary territory encouraged and stimulated by a reduction of $85,130,845.49 in transportation charges. For $16,609,203.76 stock subscription, which should have been paid as per Act of Congress, the Central Pacific could have paid all debts, including the Government and six per cent dividends annually; and the company would own a railroad worth to-day $40,000,000 and unsold bonds of the value of $12,500,000, equalling an appreciation in 18 years of over 200 per cent., and shippers and patrons benefited by reduction of transportation charges more than $54,000,000.

DISHONEST AND UNPRINCIPLED.

Had these conspirators adopted an honest and honorable management they would have commanded the approbation and respect of their fellow citizens,—instead of which they are regarded a quartet, sometimes a quintet, of the most unprincipled knaves, swindlers and scoundrels known to modern civilization. In consequence of the vicious methods praticed by these conspirators, the Government has been defrauded of the bulk of its advances, shippers have been taxed more than $248,000,000, and obligations of $389,517,265 have been piled upon the properties.

PROPOSITIONS TO PURCHASE THE ROADS.

"In the consideration by the commission for adjusting these debts, various suggestions and propositions were made by parties interested. They were informed the U. P. Co. would pay $35,000,000 for the extinguishment of the entire debt."

C. P. WORTH ONLY FIRST MORTGAGE BONDS.

"The conspirators of the C. P. said that the aided portion of their line was not worth more than the first mortgage of $27,855,680; thus swindling the Government out of every dollar of its claim. John I. Blair, who built the Sioux City and Pacific road, offered $1,000,000 for that line. What shall the Government do? It occupies a dual relation to these bond aided roads as sovereign and as creditor, and unfolds problems and complications not applicable in the ordinary relations of debtor."

COMPROMISES WITH THEMSELVES.

"A compromise in a sovereign dealing with a dishonest creditor, who had violated laws and covenants would be repugnant to public policy. It cannot afford to condone fraud, to tolerate the iniquitous acts of the Credit Mobilier, the Contract and Finance Co. and similar organizations, or to ignore the unlawful and outrageous discriminations, extortionate charges, and the criminal conspiracies for controlling trade, which have characterized the administration of these railroads since the date of their (inception) and completion."

WHAT SHALL THE GOVERNMENT DO?

What shall the Government do? The companies' assets are insufficient to pay the present worth of the debt; they will not be able to pay at the maturity of the debt in 1897, unless by *assessing the bloated stock and bond holders and compelling them to disgorge their fraudulent hoarded accumulations.* The officers of the U. P. demand an extension of one hundred and twenty-five years. Jay Gould, who closed out his holdings four years before with an enormous profit of probably $40,000,000, thinks the Government ought to be satisfied with its principal. Another director said the Government did not want money. (It was more flush then than now at this writing, or he would not have made such a statement), and should throw off the interest and take bonds. Another director said the Government ought to put the Company in a position so that the stockholders can receive something, in addition to the dividends they had formerly been paying themselves for stock upon which they had never paid a dollar. The argument for the payment of dividends by the U. P., stripped of its sophistries, simply amounts to the assertion that the resources of the Company by taking

$3,000,000 or $4,000,000 out of the treasury a year and distributing it among the stockholders themselves, cuts no figure in the case. Another said: "I do not think it is the interest of the Government to get *all*, if it *can*, because it would discourage the management if it has an *honest* one." The U. P. has received $176,294,793.53 in surplus earnings and land sales in the last eighteen years, and if its stock had been fully paid, as the officers swore falsely and perjured themselves in their affidavits that it had paid the $28,650,770 in dividends and $62,742,856.28 in interest on bonds, nearly all of which were paid to shareholders without consideration, under faithlessness and criminal management and manipulations, to fund the indebtedness of the U. P. by an extension of time and reduction of interest, would be a recognition of frauds of the credit of Mobilier, validate and condone their infamous and monstrous iniquities that the Government cannot afford to be a party to."

IMPAIRED THE CREDIT OF ALL RAILROADS.

These swindling devices of the Pacific Railroads has not only impaired the credit of the other railroads among our people and investors, but has shaken the confidence of foreign investors to such a degree that hundreds of millions of dollars, which otherwise would have come to this country for investment, have been locked up and kept at home; thus meritorous enterprises and developments have been delayed or entirely abandoned.

FOREIGN CAPITALISTS.

The foreign capitalists supposed these Pacific roads were under honest Government control; they received a Government subsidy; they made annual reports to the Government; were represented by five Government directors, and the good faith of the Government was presumed to be back of the securities."

TRIPLE COST OF PRODUCTION.

The present pretended capitalization of these roads represents triple the cost of their production. Therefore to extend the debt is a mortgage upon the earnings of the enterprises and productions of the people of this country, more especially of the western states, not only of this but indefinitely succeeding generations. Why should the thieving and villainous acts of the managers of the Pacific railroads be allowed to extend their indebtedness and perpetuate the extortionate rates of transportation to pay these fictitious and fraudulent claims. To extend the time to 125 years at greatly reduced interest by the Government, under present conditions, would be an intolerable burden to the community requiring transportation facilities.

NEGLECTED TO PUT THEIR LINES IN FIRST-CLASS ORDER.

These roads neglected to put their lines in first-class condition as required by the laws of Congress. The report of Government Director, Snow, in 1869, showed that ten miles not even graded, and without a rail on it, and a tunnel not yet completed, had been accepted as first-class, and explained that the commissioners appointed to inspect the road had been taken over that part on a temporary track by night. Subsequently it was ascertained that one of the commissioners, C. Wendell, had received from the Company $25,000 for signing the official acceptance. It is harsh treatment and accusation to include them all in the category of incorrigible villains and thieves. The U. P. and C. P. were required by act of Congress to keep their roads and telegraph lines in repair, but they soon entered into a conspiracy with the Western Union Telegraph Co. whereby they became stockholders and were jointly interested in the monopoly of that corporation. They also handed over there express business to other corporations in violation of law.

CENTRAL PACIFIC LEASE TO S. P. OF KENTUCKY.

The C. P. leased its road with all other properties and interests to the S. P. of Kentucky in violation of the law and to cover up their illegal acts. Congress placed the telegraph line in respect to its construction and use by the subsidized companies upon precisely the same footing as the railroads. But from the incipiency of these roads, the directors became a law unto themselves, disregarding all investments and conditions imposed by Congress and their contracts and obligations, and the open and bare-faced indifference and defiance of subsequent acts by state legislatures and cities and towns. No obstacles were allowed to stand in the way of their frauds and robberies. The Government Directors were ignored; they were required by Congress to put a Government director on each standing and special committee; they were admitted under protest; were not notified of directors meeting in August, 1880: the jurisdiction of the Government directors was denied and official transportation refused over any part of the U. P. consolidated road, except from Omaha to Ogden. Although prohibited by law, the directors and officers were interested in various companies and corporations and therefore participants in contracts, rebates and discriminating practices.

U. P. ADVANCES MONEYS TO BUILD OTHER ROADS.

The Union Pacific advanced moneys to build other roads of over $38,000,000 and loaned its credits to other corporations and enterprises for the purpose of evading the laws and requirements of the United States. Jay Gould, while a director of the Union Pacific, was interested in the contract for the construction of the Denver, South Park and Pacific. Subsequently he unloaded the whole franchise on the Union Pacific, profiting largely at the latter's expense.

AMES, GOULD, DILLON AND SAGE.

Ames and Dillon were stockholders in the Omaha and Grant Smelting and Refining works to the extent of

$63,000 each, and received in rebates and discriminating practices $570,000 in four years. Gould, Dillon, Sage and Ames, while directors of the Union Pacific, were interested in the American Union Telegraph Co., but Gould attempted to force the Western Union Telegraph off the lines of the Union Pacific. They subsequently effected a consolidation of the telegraph companies, and then contracted with the Union Pacific Railroad, granting the Western Union exclusive privileges to the telegraph line of the Union Pacific. Gould contracted to build the Hastings and Grand Island road, then turned it over to the Union Pacific which he was director.

S. H. H. CLARK.

S. H. H. Clark, while General Manager of the Union Pacific, built the belt line around Omaha, and afterwards transferred it to the Missouri Pacific, alleging that it belonged to himself, although he used the funds of the Union Pacific in its construction!!

CONCESSIONS, REBATES AND DISCRIMINATIONS.

Included in the secret rebates and deductions were payments by two companies of over $4,000,000 to the Pacific Mail Steamship Co.; $200,000 to railroads for keeping out of certain territory; $570,000, as before stated, to the Omaha and Grant Smelting works; $227,000 to Charles Francis Adams for loss on Salt Lake City and Colorado coal sales; to Utah Forwarding

Co., $3.00 per ton for salt that could be bought for $1.75 per ton; $22,000 to the Marshall Coal Co., for coal that could only be carried over the Union Pacific line; commissions to Lyman & Wallace for handling coal and salt; rebates to Adams & Keisel because they had promised to expend $100,000 for the creation of a bathing resort at Syracuse on Salt Lake; $25,000 a year to Union Elevator Co., at Council Bluffs, as a terminal allowance; large sums to Himebaugh & Merriam at Omaha for the same purpose. Payments were made to A. W. Bristol under the guise of rebates for encouraging mining at Butte, and in their modesty the Union Pacific called on the Government to pay one-fourth of these rebates. The rebate book was called into requisition as the hiding place for all the iniquities of the system. Expenditures that were not made to buy trade or peace were recorded there. It was one of the "India rubber" accounts of the company.

THE RANKEST FAVORITISM.

The rankest favoritism and corruption were invitingly spread before the officers of the operating department, and by the secrecy of the accounts the company gave the favorite shippers great advantages that they refused others. They resorted to all manner of devices to cover up their villainous acts. In the necessary annual expenditures for operating and keeping in repair their roads, each of the companies included large sums expended for improper purposes, for influencing elections and legislation, with only insufficient or no vouchers.

COMPLAINTS OF COMMUNITIES.

The investigation of the commission among the communities served by the Union Pacific developed a general complaint of high rates, but the greater complaint was against discriminating rates. Where rates are uniform and permanent, if not greater than all the traffic will bear, business has got to accommodate itself to them, but where the question becomes one of favoritism with the railroad manager the discriminated against must retire as the victim of preference and monopoly. The following is a list of some of the favored and preferred shippers :

Omaha & Grant Smelting & Refining Co.
Continental Oil Co. (Standard).
Consolidated Tank Line Co. (Standard).
Himebaugh & Merrian, Omaha.
Union Elevator Co., Council Bluffs.
Union Stock Yards Co. (W. A. Paxton).
Utah Forwarding Co. (Lyman & Wallace).
Adams & Keisel.
Marshall Consolidated Coal Mining Co.
U. P. R. R. Co. (coal department).

In addition to $570,000 received by the Omaha & Grant Smelting Co. in three years, they were allowed free switching worth $15,000. Senator Hill, of Colorado, who represented the Boston and Colorado

Smelting Co., said that his company would have been in the same business if they could have secured the same rates. A few more glaring instances of overcharges and extortions of the U. P. must suffice. Every intelligent man will appreciate the fact that a company with $100,000,000 of water in its capital must practice extortion and robbery, and will not take the same view of reasonable charges and conduct that would be adopted by a company conducted upon honest and sound business principles. If sin brings its own punishment, no wonder that the U. P. is in the hands of a receiver to-day. It is only a question of time, and very short too, when the C. P. will be in the same predicament.

DISCRIMINATIONS.

Columbus, Nebraska, is ninety-one miles nearer San Francisco than Omaha, both being on the same line. The rate from Omaha to San Francisco was $1.40 per hundred pounds, while the rate from Columbus to San Francisco was $3, and the only way they could ship to San Francisco was by way of Omaha. In shipping from Memphis to Columbus, a distance of seventy-five miles on the U. P., the rate to Papillin was five cents greater than from Papillin to Memphis via the Missouri Pacific, a distance of 500 miles. Mr. Hedde, of Grand Island, testified that a carload of nails from Pittsburgh via St. Louis to Council Bluffs, a distance of more than 1000 miles, cost less than from

Council Bluffs to Grand Island, a distance of 150 miles. The charges of the U. P. for ore from points in Idaho to Salt Lake City were nearly the same as to points a thousand miles east.

A shipment of wool from Salt Lake City to Boston was cheaper to ship by way of San Francisco, a distance of 860 miles, than to ship direct from Salt Lake City to Boston.

But more offensive than the irregularities and favoritism in which the company participated was the terrorism it maintained over merchants and communities.

As was stated by one witness (see page 1346): "People would testify but that they were afraid to offend the railroad!"

Mr. Gerard of Columbus, Neb., testified:

"Merchants understood that if they did not do as the railroad wanted, it would discriminate against them. Men who were friendly to it would have privileges extended to them, and politicians and fellows who were active had advantages."

Ex-United States Senator Hill, of Denver, testified that he had said in answer to hundreds of inquiries which were made to him as to whether he would advise people to go into business in that city:

"Denver is a good place to establish business *if you can get on* the inside track of the railroad."

He also testified:

"In business it has always been a question of favor with railroads, rather than *skill, ability or enterprise.*

FARMERS' COMPLAINTS.

Farmers complained that they could not get rates for shipment to Chicago for their wheat within five or eight cents of the figure which the elevator men obtained. Himebaugh & Merriam, of Omaha, own 32 elevators along the Union Pacific system; and when farmers at Marysville tried to ship directly to market they found they could not compete with that firm. They asserted that three-fifths of their labor went to the railroad company, one-fifth to interest, and the other fifth was left for subsistence. The railroads fluctuated their rates up and down, and it mattered little to the farmer whether his crops were large or small. If large, the railroads increased their rates all the traffic would bear in proportion; if small, it only allowed him enough to live on. Himebaugh & Merriam's elevators have been allowed one cent as a terminal charge for transfer, and two cents additional at times to meet competition, and farmers were forced to sell to that firm as they could not compete with them.

Lyman and Wallace occupy similar relations with the U. P. with the salt and coke business. The railroad company, upon pretext that it would protect the smelters at Butte against corners in salt, determined to buy salt for delivery at Ogden and fixed $3 per ton as the price it would pay.

A firm in Ogden offered to furnish salt to the railroad at $1.75 per ton, the proposal was refused, but the railroad paid Lyman and Wallace and Adams and Keisel

$3 per ton delivered at Ogden. A smelter on one of the branch lines of the U. P. refused to buy his fuel of the Utah Forwarding Co., and was charged $5 per ton additional for transportation of his products to Omaha —for his obstinacy and independence.

UNION STOCK YARDS.

The Union Stock Yards Co., W. A. Paxton, Manager, has exclusive control of the stock yard business at Council Bluffs and Omaha, and has an exclusive contract with the U. P. R. R. by which no other stock yard can be established except by consent of the Union Stock Yard Co. The exclusive control of the stock yard business by Paxton enables him to prevent the establishment of packing houses along the line. The U. P. has granted the Standard Oil Co. a monopoly, and since 1880 has paid it large sums in rebate, and has made its entire territory inaccessible to other shippers.

CONTROLS THE RETAIL PRICE OF COAL.

The U. P. also controls the retail price of coal along its entire system. Coal dealers before embarking in business must first obtain the consent of the company. It retains a complete monopoly of the traffic, and refuses to lease any of its coal lands on royality that it acquired unlawfully by private entries in the names of its employees. They also control all the stone used along its lines, obtaining the supply from the quarries near Fort Collins. Before the U. P. engaged in the stone business, there was a number of quarrymen at or near Fort Collins, Colo., who were conducting large operations and employing from 175 to 200 men each, but soon after the railroad began operations, they found they would be forced out of the business or sell their stone to the monopoly, as they would not haul for them at the rates it carried for itself. In the words of one of the quarrymen: "It wore them out." They could not ship stone to Denver or Cheyenne because of the excessive rates. One of them hauled by team from Natural Forks to Cheyenne, a distance of fourteen miles, because he could do so less expensively than by rail. Another, who had a contract at Cheyenne, when applying for rates, was told by the chief of the monopoly, "to buy his stone of the Company's agent at Cheyenne."

At Salt Lake City no one could ship lime in competition with the Utah Lime and Cement Co.

At Laramie City a letter was exhibited from Mr. Studebaker, a Chicago wagon-maker, with reference to rebates which had been granted him, in which he said that the rebates referred to had been granted by the U. P. Co. on general principles, and had been distributed around to make them look well.

"In making rebates the company followed no rule and its published tariffs were worthless except for charges against the Government.

"All rebates were put on overcharged blanks, so it was difficult to see from the face of the voucher whether the rebate allowance was by agreement, or for an error.

An examination of the policy leads to the conclusion that it was to concentrate business in a few hands, thereby building up a few monopolists like themselves at the expense of better and more worthy men. In defense of this course they claimed that self-preservation compelled the Pacific R. R. Co. to condone or to practice these discriminations. In other words, it deliberately, and with full knowledge of the force and effect of its action, violated its obligation as a common carrier.

"Its arbitrary dictation was carried to such an extent that shippers who refused to send their goods by their line were driven out of business in competition with those who acceded to their terms and shipped solely over the U. P.

"Mr. Rosenbaum of New York, who had been established in California trade for thirty years, received a circular from the U. P. R. R. Co., setting forth that if he shipped one pound to California from New York, otherwise than across the continent by rail, the charges on his freight would be 100 per cent. higher than on the freight of those dealers who bound themselves to ship only by rail."

DISCRIMINATIONS AND CONTRACTS.

The following extracts of discriminating obligations and contracts show the abject submission and slavish espionage demanded of supposed free and independent citizens, of date June 2, 1879:

"That on all goods, wares and merchandise shipped from the cities of New York, Boston, Philadelphia and Baltimore during the year ending Dec. 31st, 1879, the freight charges shall not exceed the following rates:

"The party of the first part, the U. P. R. R. Co., agrees that if at any time during the continuance of the contract it prints and publishes a tariff of lower rates upon any article herein provided for, the party of the second part shall have the benefit of such reduced rates. In the event of a discontinuance of the relations with the Pacific Mail S. S. Co., which might result in greater competition, the party of the second part shall not be charged rates exceeding those current at the time of shipment by more than $1.50 for all goods rated by the agreement, at or above $4.00 per 100 pounds, or $1.00 per hundred pounds rated at less than $4.00 per 100 pounds. They also promise that freight for the second party shall be transported without unfavorable discrimination as to time and attention compared with goods of same class consigned to other parties. They also guarantee as low rates as any other competing all-rail lines. They assert the object of the contract is to secure the transportation of all goods of the second party, but if any portion of said goods are diverted, such diversion shall be construed as *prima facie* evidence of default and will subject the shipper to liquidated damages. These rates are for the sole use and benefit of the contracting party, and if he shall supply, by sale or otherwise, any person who is known to handle goods which may have been shipped via any other route, the second party shall be charged and pay regular tariff rates on such goods sold and supplied ! !"

RAILROAD RATES.

Judge J. S. Black's famous letter of twelve years ago is applicable to this discussion. Railroad corporations cannot by their extortionate charges prevent the people's use of "their own roads."

In 1880 Judge Black of Pennsylvania was asked his opinion as to the right of the State to control railroad rates. His letter seems applicable to this time in this country. It is a learned document dealing with a great subject. It would be interesting and instructive reading at any time for the information it contains. J. M. Cory of Fresno, who has preserved the paper since it was published, furnished the copy, which is reproduced as follows :

YORK, PENN., November 16, 1880.

Committee on Railroad Transportation of New York Chamber of Commerce.

GENTLEMEN : You propose a movement in favor of some legal regulation which will compel the railroad companies to perform their duties to the public on proper terms.

I will answer your questions as directly as possible, without observing the order in which you put them.

You desire, above all things, to be just. The legally vested rights of railroad companies, like all other property, are sacred, and no violation of them comes within the scope of your design.

But on this question railroad men misunderstand their situation. They believe, or pretend to believe, that railways are the property of the companies authorised to run them, which is a cardinal error and parent of much false argument.

A public highway cannot be private property, and a railroad laid out and built by the authority of the State for the purpose of commerce is as much a public highway as a turnpike, canal or navigable river.

It is the duty of the State to promote intercourse and trade by making highways of the best sort through her territory. To this end she may take land and materials, which is an exercise of the power of eminent domain. She can build a railway at her own expense, using the direct agency of her own officers, and after it is built she can make it free to all comers or reimburse the cost by special tax on individuals who have occasion to use it. She can delegate the taking and taxing power to a corporation or a natural person, and that is what she always does when she grants a railroad charter. But in either or any case the road belongs to the State, and all people have a right to use it upon compliance with necessary regulations and payment of the proper tax.

THE AGENTS OF THE STATE.

The corporations who have got into the habit of calling themselves the owners of the railroads have no proprietary right, title or claim to the road themselves, but a mere franchise annexed thereto and exercisable thereon. They are the agents of the State for the performance of a public duty. If the franchise be forfeited or surrendered, or if it expire by efflux of time, the State takes possession of the road and runs it herself, or employs a new agent. The outgoing company cannot keep the road, any more than the outgoing collector of the port can appropriate to himself the custom house where he did his official work.

The State, having need for a public highway at a particular place, makes a contract with a corporation to open and put it in condition to be used; and by reimbursing the builders and operators she authorized a tax upon those who travel or carry merchandise over it.

But this tax must be reasonable, just, uniform, prescribed and fixed, so that every citizen may know beforehand exactly how much he must pay, and so that when he pays, or tenders the proper amount, he will acquire an absolute and perfect right to the use of the road. The amount of tax, toll or freight in any case is not a subject of bargain between the shipper and the corporation, but a thing to be fixed, settled and prescribed by public authority. If the company may charge what it pleases, then the road is not a public highway; the public has no right in it at all, and the charter authorizing the taxing of land to build it is null and void.

These principles were stated by Judge Baldwin in

Bonaparte against the Camden & Amboy Railroad Company (1 Bald. Rep., 252). You will find a more extended discussion of them by the Supreme Court of Pennsylvania in Casey vs. the Erie & Northeast Railroad Company. I do not think they are opposed to any high authority; but no doubt they have often been overlooked in judicial discussions and forensic arguments.

The railroads being public property in which all the people have equal rights, and the companies that run them being public agents, it is absurd to say that the State has no right to regulate and control them in the performance of their functions by such laws as will prevent partiality, plunder and extortion. This is a power of which no free State can disarm itself by any act of its judicial, legislative or executive officers.

They could as lawfully sell the State out and out and deliver up the entire population to sack and pillage.

TOLLS MUST BE UNIFORM AND REASONABLE.

But are not the franchises property in which the company has a vested right? Yes. The privilege of taking a certain fixed, prescribed, uniform, reasonable rate of toll from all persons alike, according to the use they make of the road, is a power which the State may bestow upon any person, natural or artificial. But no lawful franchise to take toll on a public highway can exceed these limits. The charter that goes beyond this is void.

These companies will oppose any effort to bring them down to a reasonable rate with the argument that such reduction is a violation of the contract between them and the State. But on the principle laid down by Judge Baldwin in the case above mentioned a charter is inoperative which authorizes a maximum of toll or fares so high that the company is able, without exceeding it, to exclude the people from using their own road. In the granger cases from Iowa and Wisconsin the bargain was that the company might fix their own rates. But the Supreme Court of the United States held that a subsequent law to restrain them within reasonable limits was no violation of the original contract. This principle applies to a company whose maximum is unreasonably high, because such a rate is practically the same thing as no limitation at all.

The conclusion that all the railroad corporations in the country may be constitutionally restrained to reasonable and just charges is not merely drawn from the fact that railroads are public highways. If they owned the corpus of the road and used it in their business of a common carrier, they might be compelled to behave themselves justly to all their customers and submit to any regulation for the public good. The unanswerable opinion of Chief Justice, Waite, in Munn against Illinois (Otto. 4, p. 113), settles that.

The reasonableness of the freight, tolls or taxes that may be charged upon any railway will depend upon the expense of running and repairing it, and in the cost of construction. The latter will, of course, be the principal element in the calculation, for the tolls ought to be high enough to give the corporation a fair profit on the capital they have actually invested. But many of these corporations have issued large amounts of stock and mortgaged bonds, for which the holders have paid nothing, or much less than their nominal value. Another way of enlarging their apparent dimensions is to water their stock under pretense of increasing their capital, while in fact the additional shares are divided among themselves without putting a new dollar into the business. Of course nobody thinks that the total cost of the road is to be measured by the nominal amount of these bonds and shares. It is easy for a competent engineer to tell how much any work ought to cost, supposing the work to be honestly done and liberally paid for. That being ascertained, you have the true basis calculation, which will show how much the tolls ought to be.

ROADS BUILT AT THE PUBLIC EXPENSE.

Most of our western roads were built with the proceeds of public lands, granted mediately and immediately, by the United States to the several companies which now have them in charge. They did not really cost the stockholders anything, and in some instances they got land worth a great deal more than all the expenses of making, stocking and running the roads. The two companies between Omaha and San Francisco raised in cash out of the Government lands, bonds and mortgages of their franchises four or five times as much as they necessarily expended upon their roads. The stockholders, without paying anything, put the enormous surplus into their pockets. These roads thus built at the public expense, and in some instances paid for by the Government five times over, are now claimed as the private property of the company, and the right of the public to use them as public highways is utterly denied. Nevertheless, I think the claims of these companies to take reasonable tolls stands upon the same foundation as that of the companies whose roads were built by the stockholders themselves, at their own proper expense.

The grant of the lands invested the grantees with a title that could not be revoked, if the conditions of it were performed. If they sold or mortgaged the lands and invested the proceeds in the construction of a railroad under a charter from a state or general government which authorized them to take a fair profit in the shape of tolls, they have as good a right to the tolls as if the capital to build the road had been raised by themselves. That is to say, those companies which build the railroads with capital donated by the public have the right as other companies to charge a reasonable toll; but their demand of excessive toll, though not worse in law, seems, in the eye of reason, a greater outrage. If railroad corporations have the unlimited power they claim, then all business is at their mercy—agriculture, commerce. Manufacturers must suffer what they choose to inflict. They may rob labor of the bread it wins, and deprive all enterprise of its just reward.

Though this power does not belong to them legally, they have been permitted to usurp it, and I need not tell you they have grossly abused it. We know that they make their exactions with an eye single to their own advantage, without considering any right or interest of the public.

OPPRESSIVE AND UNJUST EXACTIONS.

They boldly express their determination to charge as much as the traffic will bear; that is to say, they will take from the profits of every man's business as much as they can without compelling him to quit it. In the aggregate this amounts to the most enormous, oppressive and unjust tax that was ever laid upon the industry of any people under the sun. The irregularity with which this tax is laid makes it still harder to bear. Men go into a business which may thrive at present rates, and will find themselves crushed by burdens unexpectedly thrown upon them after they get started.

It is the habit of railroad companies to change either rate of transportation often and suddenly, and in particular, to make the charges enormously high without any notice at all.

The farmers of the great west may have made a large crop of grain which they may sell at a fair profit if they can have it carried to the eastern ports, even at the unreasonable high freights of last summer. But just now it is said that the railroad companies have agreed among themselves to raise the freight among themselves five cents per hundred weight, which is equal to an export tax upon the whole crop of probably $75,000,000.

MUST SUBMIT.

The farmers must submit to this highway robbery, or else keep the products of their lands to rot on their hands. They submit, of course, as all classes of industrious people submit to similar impositions.

Common justice imperatively demands that freight be fixed, settled and prescribed by law, and that they be not changed at the mere will of the railroad companies. But the determination which makes the rates unequal is the most odious feature. A grain dealer at Baltimore gets a reduction, or drawback, which is denied to others, and he makes a fortune for himself, while he ruins his competitors by underselling them. A single mill at Rochester can stop the wheels of all the rest if its flour be carried at a rate much lower. By discrimination of this kind the profits of one coal mine may be quadrupled, while another, with all its fixtures and machinery, is rendered worthless.

Such wrongs as these are done, not only in a few spasmodic cases, but generally and habitually, on a very large scale. Certain oil men, whose refinery is on Long Island, got rebates amounting to $10,000,000 in eighteen months; and seventy-nine houses (I believe that is the number), engaged in the same business were broken up.

PROSPERITY BLIGHTED BY RAILROADS.

The creditors of the Reading Railroad having coal lands of their own, made discriminations between themselves and others which drove all competitors out of the field, gave them the monopoly of the Philadelphia market, and enabled them to charge for coal as they charged for freight — whatever they pleased. Thus producers, dealers and consumers all suffer together. Worse still than that, the prosperity of large communities is blighted by the refusal of the railroads to carry the products of the farms, gardens and shops unless they submit to the payment of rates much larger than what are charged on similar goods from other regions much further away from the common market.

The case you mention of $4 from New York to Salt Lake and only $2.50 to San Francisco is, perhaps, not the most unrighteous, but it is as great a violation of the legal principle as can be conceived.

If the railroads belong to the people then the rights of all citizens are precisely equal and all discriminations are unlawful. Without reference to the public right of property, they are so shamefully imperious in their general effect and in their particular consequences that no well governed State will endure them.

These railroad and transportation companies connect themselves with everything. The promotion of commerce, internal and foreign, the interests of the buyer and seller, the rights of the producer and consumer, the needs of the poor and the prosperity of the rich, all cry aloud for some system of management which will compel them to do the duties which they owe to the public faithfully, and at rates reasonably fixed, uniform and equal, without extortion, without wanton changes, without discrimination.

The laws necessary for this purpose are not difficult to frame. If you will look at the constitution of Pennsylvania, as amended in 1873, you will find in the seventeenth section a series of provisions which, if carried out and enforced, will be amply sufficient.

But the railroad men and their advocates have managed to impress the legislature that they are above the constitution. They assert that every restriction imposed upon them in the interest of justice, equality and fair dealing is a violation of the contract in their charters. All this is no doubt very false doctrine, but they contrive in some way (I really don't know how) to make the State authorities accept it as true.

HOW TO PROTECT THE PEOPLE.

I maintain that all States have a clear and indefeasible right to protect their people against such wrongs, and to exercise the power as a sacred duty. When the duty is properly performed the internal trade of each State will cease to be enslaved and crippled as it is now.

But commerce between the States will still be open to inequalities and liable to oppression and plunder by transportation companies unless the National Legislature does something to save it. Congress has power to regulate commerce between the States.

Is it not strictly within the scope of that authority when it makes a law forbidding carriers through the States to injure or impede the general trade of the community by extravagant and discriminating charges? If that be not a regulation of interstate commerce, what would it be? The power being conceded, an effectual mode of righting the wrongs now complained of can easily be devised.

Doubtless you are right in your belief that public opinion will be in favor of your movement. Reflecting men cannot deny its justice. But the influence of these great corporations can hardly be calculated. They have methods of offense and defense which make them invincible. You have referred to portions of their history which prove this. Some of the State governments are literally subjugated by them now. It will require a strong organization and much labor to reduce them. Undisciplined militia in an open field make a poor fight against regulars entrenched. What are cornstalks against cannon? Such is truth against money. You ask what I think of regulating these affairs by the agencies of commissioners. In England I believe that the plan has been a complete success; in California I understand it is a dead failure.

This paper is much longer than I intended to make it, and as an answer to your questions it is less categorical than it ought to be. But you must take it as it is, and believe me, your obedient servant,

J. S. Black.

RAILROAD SPIES.

At any time officers and spies of the railroad, under a pretense that the shipper has violated or disregarded the conditions of the contract, the railroad company have a right to inspect the books and papers of the suspected party to determine the matter in controversy. Intimidation and coercion have been the weapons in the hands of these thieving scoundrels ever since the inception of their enterprise.

THE ROADS ARE ALL INSOLVENT.

The roads are all insolvent beyond redemption, they cannot pay 30% of their indebtedness. The holders of the first mortgage bonds are secured, they have received their 6 per cent. interest regularly, and the roads would probably sell to-day for the amount of the mortgage. But Government and stockholders, and all subsequent creditors will probably lose every dollar.

$400,000,000.00 INDEBTEDNESS.

The aggregate indebtness of these subsidized roads, branches and extensions, at the maturity of the first government bonds will be in the neighborhood of $400,000,000.00.

It must appear self-evident to the readers of this exposé, that it would be impossible to discover in the whole United States a coterie of deeper dyed villains than the managers of the subsidized roads; from first to last their acts have been to cheat, to swindle and to rob, and the community tacitly submitted to their crimes.

> "A little theiving is a dangerous part,
> But larger stealings is a noble art.
> 'Tis wrong to rob a hen's roost of a hen,
> But stealing millions makes them gentlemen."

When the rapidly approaching day of settlement arrives, it will be found that these swindlers have transferred their stocks and worthless bonds and securities into the hands of innocent investors and holders, and in the general crash they will escape themselves.

THEY DEFY ALL MORAL OBLIGATIONS AND LAWS.

Whenever the occasion has demanded, they have defied all moral obligations and criminal laws.

At one time the C. P. Co. suspected an employee guilty of malfeasance, and without process of law arrested him, and confined him in their *prison* at the corner of Fourth and Townsend streets. He was never prosecuted, but after compelling him to disgorge all his visible effects he was allowed to depart in peace.

Very many uncharitable and evil-minded persons construed their action in the light of policy and prudence, for if the charges had been proven and subjected him to legal imprisonment, the case might have become so complicated and embarrassing that it would have necessitated the retirement and residence of *all parties across the bay*.

A FINGER IN THE POSTOFFICE SITE PIE.

This is the last imposition on the citizens of San Francisco by the agency of the S. P. R. R. Co.

The lot selected is in an inferior part of the city, off the line of good business locations and residences, present and prospective; was sold to the Government at one million and forty thousand dollars ($1,040,000), over five (5) times its assessed or appraised value; is accessible only by the streets over which the monopoly's franchise of street cars is owned by the S. P. The size of the lot is several thousand feet sq. superficial less than other lots offered to the Government, some of which are central in position, accessible to all street car lines, very much lower in price and recommended to the Government for acceptance by the Chamber of Commerce, Board of Trade, Real Estate Exchange, bankers and other leading citizens of San Francisco, including resident Federal officials, who joined with the others in remonstrance against selection of the site for the future great Federal building on the Pacific Coast. Why, then, was this very inferior site selected in defiance of the public wish here plainly expressed, and directly conveyed to the U. S. Government at Washington. Simply at the behest, or by compliance, of this corrupting monopoly, the S. P., which does not hesitate to debauch juries, legislatures, corporations and individuals to gain its ends. Such has been its course in this State and its intriguing has not been less effective, though more secret and discreet in Washington.

It is capable of proof that the senior U. S. Railway Senator, now deceased, has used misrepresentation in person with the Administration to secure the selection of the very unsuitable lot and at this monstrous price, and the then junior U. S. Senator (ad interim appointment through S. P. influence) has admitted in confidential letters to this city his inability to oppose the purchase, although he disapproved of it himself, on account of his obligations to the senior Senator.

C. P. Huntington's correspondence with the U. S. Treasury on the same subject has been unearthed through the indiscretion of a clerk. He also sought to effect this great wrong on San Francisco and money fraud on the U. S. Government. It may be said in explanation, or in extenuation, of the course pursued by the S. P. in forcing this site to be taken by the Government, that there were good business reasons on their side. The chief members of the S. P. owned a portion of the lot, and the price to be obtained was very high. The foundation, too, was very bad and would have cost them a great deal to secure it. It was nearer their principal office than the other sites, and, being more remote than the others from the city's centre, would oblige car travel on their lines, giving them the monopoly of transportation to *all* the Federal offices in the city—Postoffice, Federal Courts, Army and Navy and Coast Service Bureau—which are to be lodged in the new public building.

Of course, in comparison with that great revenue and influence to accrue to the S. P. in the job, the wishes and welfare of the city and State, or public convenience or interest of the Government, could weigh as nothing in the scale, and so was consummated an enduring wrong to San Francisco, and a fraud on the U. S. Treasury of over a half million dollars. It should be added, also, that the title to this selected lot was found on examination to be imperfect and insufficient, and opinions to that effect were prepared, at cost of private citizens here, by three leading jurists of San Francisco and certified copies of same sent to the commission at Washington charged with the duty of selecting the lot. This commission consisted of the U. S. Attorney General, Secretary of the Treasury and Postmaster General. Copies of these opinions were also presented to the U. S. District Attorney here, and he declined to consider them, saying he was instructed the matter was settled at Washington and no objections could be received against the purchase of the lot. All this occurred weeks before payment of the price by the Government.

Some mention may be made here of the work by the agents of the S. P. in this matter. In the Act of Congress providing for purchase of a public building site in San Francisco, a local postoffice commission of three citizens, under the appointment of the President, was to examine and select lots to be reported to the chief commissioners at Washington as heretofore named. Two, or a majority, of this commission were in the permanent outdoor service of the S. P. and actually nonresidents of this city and county.

Their action was, of course, in perfect accord with the interests of their employers, the S. P. In addition to the common art of misrepresentation and concealment, agents were employed (after securing the lot in question) to inflate the price of property in the vicinity of the selected lot by making and announcing bogus contracts for future purchases at prices much over actual values, and thus give a false semblance of value to the lot selected for the Government.

These bogus contracts were, as might be expected, set aside or the agency repudiated after payment of purchase by the Government. All the statements made here on this subject can be proved and would be submitted to the committee of investigation, which is reported as having been ordered by Congress many months ago, but for some reason not acted on, probably through the influence of the S. P.'s agents in Washington, who seem omnipotent for evil with every Administration. The local postoffice commission, having done their jackall service, are now retired to original obscurity. In the quaint words of the old drama, perverted in use for this purpose :

"They fear no more the summer sun, nor the winter's
future rages;
They, their earth(l)y task have done, home have gone
and ta'en their wages."

Their chief and mouthpiece has, for special services, been extra compensated by a lucrative sinecure in the public employ, filling at once the measure of his personal ambition and of his industrial capacity.

HUNTINGTON'S BAREFACED IMPUDENCE AND ASSURANCE.

And now comes the impudence and barefaced assurance of Huntington in his last resort by asking the Government to assume the indebtedness of his railroads and satisfying its creditors if possible, or compelling them to exchange their investments and securities by new bonds bearing 2½ per cent. interest for 125 years; saddling the next four succeeding generations with taxes amounting to $3,350,000 annually, aggregating in 125 years the enormous sum of $438,750,000 for interest; the principal, $134,000,000, added making a total of $572,750,000.

Are we to tamely submit to this additional extortion and imposition and allow this monstrous monopoly to dominate the politics, industries and progress of California and the Pacific Coast for the next century and a quarter? Or will the people rise in their majesty and power and shake off this grasping and crushing octopus, and by the investment and execution of just and equitable law, subject it and all similar organizations and trusts to honest and fair dealing.

OUR CAPITALISTS AND ENTERPRISING CITIZENS SHOULD UNITE IN THE CONSTRUCTION OF COMPETING ROADS.

But a mere compliance with these exactions is not enough. The immediate and prospective of San Francisco should no longer be confined to, and dependent on only one land transportation route. Our 144 millionaires, unless over-burdened and surfeited with the bonds and securities of the monopoly, should unite with the few remaining progressive and public spirited citizens, in the construction of competing railroads and other enterprises. By such investments their vacant stores and dwelling houses would no longer remain vacant.

HUNTINGTON TELLS THE TRUTH FOR ONCE.

Huntington tells the truth for once when he says: "He knew of no other way by which the Government could be paid, as the money had to come from the people." He further says: "He and his associates are willing (how kind and considerate) to bring under a new mortgage which would be first-class security for the whole amount of the bonds.

THEIR PROPERTIES INCREASED RAPIDLY IN VALUE.

Their properties must have increased greatly in value since the investigations of the Congressional Commission, for it was in evidence then that they were not worth more than the first mortgage bonds. But notice particularly the following: He says, "It is stipulated, however, that the mortgage to the Government is to be subject to any prior liens, and it is not to be construed so as to prevent the Company disposing of any of its assets or to prevent to Company from devoting the proceeds from the lease to S. P. Co. to the payment of dividends to stockholders. The Company is also allowed to sell any land, grant lands for the satisfaction of prior mortgages." With honest management these conspirators could to-day be the owners of every railroad and steamship, free and clear of any indebtedness; instead of which they have stolen more than two hundred million dollars, and now ask the Government to grant them as an extension and lease for 125 years, giving them and their schooled successors control of this great interest, not even suggesting any supervision by a portion of Government directors. But even if such a condition was imposed, would they not do as in the past—practically ignore them.

WILL CONGRESS BE CAJOLED AND GRANT THIS INFAMOUS REQUEST.

Is it possible, with their past management, malfeasance and all their nefarious acts embraced in the decalogue of crimes, that Congress can be wheedled and bribed into fastening and entailing this incubus upon the people for four generations more? Do not. If you do, your acts will not be approved and confirmed by your constituents—the people. Do you think you are smart enough to frame a bill and enact it into a law, that these conspirators cannot find a flaw and a hole to creep out of? For instance, that they need not pay the interest on the bonds for 125 years—till their maturity.

"SAN FRANCISCO MUST WORK ITS OWN SALVATION.
HOW THE OVERLAND RAILROAD LINES ARE OPERATED.
HAS THIS CITY THE PLUCK TO SET HERSELF RIGHT?

The following from the evening *Bulletin* of March 2nd, 1894, needs no elaboration, it is *multum in parvo*, and a fitting conclusion to this publication at this time. I commend it to the careful persual and consideration of every intelligent citizen of this city in particular, and also California.

The interview with Traffic Manager, Leeds, which appeared in this paper last evening, concerning the reason why transcontinental roads are not building into San Francisco, has occasioned no little talk among merchants and others. I think the proposition is plain enough, said Mr. Leeds to-day, that if we are to have any relief we must work out that relief for ourselves. It is plain enough to see what the policy of all the transcontinental roads is concerning the Pacific Coast. The rail conditions in reference to the great seaports of the East are different from those existing here. But the railroads interested in the long overland haul have tried to build up Chicago, St. Louis and Mississippi river points by the differentials in favor of them as against the Atlantic seaboard. Everything has been done that could be done by the railroads to destroy the value of the seaport of San Francisco. This is so notorious that it may not be necessary to go over all the facts again. But it is absurd to believe that any road will build in here from the East for the purpose of building up San Francisco. No such road will have in view making San Francisco a point of concentration for shipping California products to the East by sea. No such road will try to assist San Francisco to bring in freight by sea to distribute them. It is a matter of common knowledge that not only the S. P., but also all the transcontinental lines, are operated in the interest of the long haul. What have they done in twenty years to build up San Francisco by extending its trade eastward? Of course all the transcontinental roads are afraid San Francisco will help herself instead of always waiting for help to come from them, whose interest is to close up the Golden Gate to commerce. If San Francisco has the pluck she has the power to place herself right and teach them a salutary lesson. There is ample proof of the correctness of what I say. One proof is, that millions of dollars have been paid by the transcontinental roads to subsidize the Pacific Mail. Another is, that local rates have been so fixed as to prevent the marketing of the products of California through San Francisco. This city has been hampered by them with artificial restraints, and always will be until it asserts itself. It is meaningless to compare San Francisco with other seaports which have a splendid railroad service. We have not a splendid service. We have only just such a service as the railroads have given us, and we are at the mercy of the overland haul. We have a great seaport, with practically no railway service, except as is made use of to knock out the service which we might have through the Golden Gate. We have no railroad service that co-operates with San Francisco as a seaport. The eastern seaports of the United States grew by sending railroads out from them. The contrary is the case here, for our railroads lead into San Francisco in the further interest of eastern cities. It is true that the transcontinental roads are afraid to come in here, because they are afraid to build us up. They can haul supplies to 400,000 people around the bay of San Francisco, but they don't want us to reach out eastward with our business to compete with this long haul proposisition."

Unfortunately, all the land traffic from San Francisco going east or coming west continues at the mercy of these extortionate conspirators and robbers.

From San Francisco to Ogden, via S. P. R. R., is.......	833 miles
From Ogden to Omaha, via U. P. R. R.................	1029 miles
Total	1862 miles
From San Francisco to Portland.	772 miles
From San Francisco to Mojave (connecting with the Santa Fe line)................................	362 miles

The appointments via the Santa Fe route are in all respects equal, and in some cases superior, to the monopoly route, especially during the winter season. Of three evils the public should choose the least, and withhold their patronage from the S. P. and the U. P. R. R.'s whenever possible to do so—give them a wide berth; let them severely alone.

THE LATEST COMPLAINT OF JOHN R. ROBINSON, MAY 1ST, 1894.

The San Francisco *Examiner* of May 2d contains the following:

It is alleged that the great fight between Cohen and the railroad of 1876 was a farce; that Cohen was in the pay of the corporation, and that the suits he instituted were brought simply to play into their hands. The dead lawyer's widow and the estates of millionaires are made parties to an action at law.

The most sensational complaint the S. P. R. R. Co. was ever called upon to answer was filed with the County Clerk yesterday by John R. Robinson, through his attorney, J. T. Rogers, of 420 Montgomery street.

It demands an accounting, Robinson alleging that he was defrauded of ten shares of the stock of the C. P. R. R. in 1877. At that time, the complaint states, the stock was worth $1,200,000 in cash and 15,050 acres of land held in trust by the company, but to which the directors claimed private ownership. Robinson prays judgment for $1,200,000, with legal interest from April 27, 1877, and 15,050 acres of land or its equivalent in money.

Besides the S. P. Co., the following persons and corporations are made defendants: Mrs. Emilie G. Cohen, executrix of the will of A. A. Cohen, deceased; C. P. R. R.; Crocker Estate Company, successors in interest to the estate of Charles Crocker; C. P. Huntington; Mrs. Jane Stanford, executrix of the will of Leland Stanford, deceased, and E. F. Searles, successor in interest to the estate of Mark Hopkins, deceased.

COHEN'S ALLEGED DUPLICITY.

The complaint charges that the late A. A. Cohen, while supposedly a bitter enemy to the railroad company, was in reality in their service as an attorney, drawing a yearly salary of $10,000, and that while serving in that relation to the railroad he accepted a contract to fight a legal battle for Robinson, by which Robinson sought to establish the fact that by various frauds perpetuated by the railroad directors he had been swindled out of the earnings of his ten shares of stock. Other shareholders became parties to the action with Robinson. At this time a bitter warfare was apparently being waged between Cohen and the railroad. They smeared each other with verbal mud on the stump and in the newspapers. The farce was even carried to the extent of the company alleging in a suit filed against Cohen that he, while acting as their agent, stole $106,376. It was because they thought that Cohen was bitterly opposed to the corporation that Robinson and the others placed their stock in his hands. He was authorised to make the best compromise he could and to sue if necessary. He began the suit and seemed to be working vigorously on behalf of his clients.

HOW ROBINSON'S CASE WAS COMPROMISED.

One day Robinson received notice that his case had been compromised. His stock had been surrendered to the company and they had paid $17,000 for it. His share was $8,500, the other 50 per cent. being held by Cohen as his fee.

It was not until February last, when the attention of Robinson was called to the testimony of Cohen and Stanford taken before the Pacific Railway Commission in 1887, that he learned that while Cohen was pretending to fight his battle he was secretly in the service of the railroad.

The testimony of Stanford showed that Cohen received $10,000 a year as the company's attorney and agent from September 30th, 1871, to September 30th, 1876. Robinson's suit was filed on March 15th, 1876, six months and a half before, according to the records, Cohen ceased to be the salaried employee of the company he had been retained to fight. This testimony of Stanford was corroborated by Cohen himself and by the expert of the commission who had made a personal examination of the railroad's books.

Attorney Rogers found the testimony in the printed report of the commission three months ago. He communicated with Robinson, whose eyes were for the first time opened to the fact that he had been duped into surrendering for a mere pittance stock that was worth a princely sum. He concluded that the pretended war between the company and Cohen had been started for the purpose of inducing stockholders who were dissatisfied to place their cases in the hands of Cohen, who in turn sold them to the corporation.

In his complaint Robinson says:

ROBINSON'S COMPLAINT.

In July, 1863, for value received, the C. P. Co. made and delivered to plaintiff ten shares of its capital stock, as represented by certificates Nos. 4 and 5, and that he ever thereafter remained the owner thereof.

That while so owned by him and during the years of 1876 and 1877 the said ten shares were of such value that the plaintiff would have been in either of said years entitled to demand, receive and have of the C. P. Co. and said Stanford, Huntington, Hopkins and Crocker $1,200,000 in cash and 15,050 acres of land.

That the value of said ten shares rose from the fact that the said two corporations and their directors and officers, all combining together for certain purposes, had up to that time received vast donations in lands and bonds from the United States of America to aid in building said C. P. Co., and out of said lands, bonds and profits of operating said railroads the said corporations and their directors and officers by unlawful appropriations from them had then in ownership and possession property of immense value.

That the above named cash and land values of said shares was the proportionate part that they bore o the value of the whole shares of said corporation and of the assets thereof unlawfully appropriated by their directors and then alleged to be held in private ownership.

That it was the purpose of said directors to prevent the plaintiff and certain other shareholders from ascertaining the true value of such shares, and to prevent him and them from instituting any suits for an accounting and obtaining judgment thereon and the payment of the dividends justly owing him and certain other shareholders.

That with the view of accomplishing these results the said directors had a short time previously destroyed a large amount of true documentary evidence, conclusively showing such unlawful appropriation and showing deliberate frauds practiced against plaintiff and certain other shareholders as to the value of their shares and as to dividends thereon.

That on or about February, 1876, the said Stanford, Huntington, Hopkins and Crocker, as directors of said C. P. Co. and S. P. Co. and for themselves, conspired with the said A. A. Cohen and fraudulently employed and directed him as an attorney to become the attorney of and for the plaintiff and certain other shareholders in a collusive suit against the C. P. Co. and S. P. Co. and themselves and others for an accounting as to the dividends due on said shares.

That with said purpose said A. A. Cohen sought plaintiff and induced him to assign his certificates, Nos. 4 and 5, to him (Cohen) and to enter into a contract for the bringing and conduct of said suit.

That to conceal their conspiracy from the plaintiff and other shareholders not participants in their contemplated crime the C. P. Co., on March 7, 1876, filed a suit against said A. A. Cohen, accusing him of frauds against it as its agent in the embezzlement of $106,376.

That such suit, No. 19,390, was instituted in the District Court of the Twelfth Judicial District in and for the city and county of San Francisco, State of California.

That immediately thereafter, having secured said assignment and represented himself as in most deadly hostility to the C. P. Co. and its directors and officers, and thereby led the plaintiff to believe his representations and to confide in his fidelity as an attorney and integrity as a citizen, the said A. A. Cohen prepared for plaintiff a complaint and caused him to duly verify the same on March 15, 1876, and on said day filed it in the District Court of the Third Judicial District in and for city and county of San Francisco, State of California, No. 20,279, with the names of said A. A. Cohen and Delos Lake as plaintiff's attorney.

That in such complaint are alleged various frauds of the directors and officers of said two corporations as against the plaintiff and other shareholders, and at the time of the commencement of said actions the value of said ten shares is alleged as $1,200,000 in cash and

15,050 acres of land, belonging to said C. P. Co. or held in trust for it by its directors, though claiming private ownership therein.

That the defendants named in said complaint appeared by various attorneys in the employ of the C. P. Co., or S. P. Co., and filed demurrers thereto.

That thereafter an amended complaint was filed, June 22, 1876, and one Anthony Coolot, as the owner of five shares of said C. P. Co., and one Anthony Elg, as the owner of three shares of such stock, and one Mrs. Emma L. Bowne (as executrix of the estate of William F. Bowne, deceased), as the owner of sixteen shares of such stock, were joined therein as co-plaintiffs with the plaintiff.

That thereafter, on March 21, 1877, a second amended complaint was filed and seven different demurrers filed thereto, and on April 20, 1877, the same were submitted to and sustained by the court, with leave to amend in ten days.

That on April 27, 1877, the said A. A. Cohen represented to plaintiff that he had compromised said suit, and for plaintiff's ten shares he had received $17,000.

That no amendment of said complaint having been filed, the court, by Hon. R. F. Morrison, Judge, rendered a judgment for the defendants on July 20, 1877.

THE RAILROAD VS. THEIR ATTORNEY.

That plaintiff did not know that said suit had been compromised until so informed by the said Cohen, and not till after he had surrendered said certificates numbers 4 and 5.

That the said suit of the C. P. Company vs. Cohen was tried in July and August, 1876, and judgment rendered for defendant and an appeal on costs perfected to the Supreme Court, and on stipulation filed, the same was dismissed April 19, 1877.

That said suit was collusive and designed to deceive the plaintiff and certain other shareholders, and to aid the said A. A. Cohen to procure from plaintiff and others assignments of their shares, and thereafter through an alleged compromise to transfer their possession and ownership to the said directors and officers as the instigators of said conspiracy.

That the said A. A. Cohen, as attorney-at-law and agent, entered into the employment of the C. P. Company on December 29, 1870, at a regular salary of $10,000 per year, and so remained until September 30, 1876, and long after the institution of said suits, and that said A. A. Cohen thereafter remained in the confidential employment of said C. P. Company or S. P. Company, or their directors and officers as such until the time of his death, but the amount of his compensation is unknown to the plaintiff.

That the relationship of said A. A. Cohen to said corporations and their various directors, from December, 1869, to his death was one of great intimacy and supreme confidential trust. Notwithstanding, for the purpose of consummating such conspiracy, it was intended to the public that said A. A. Cohen was dismissed from the services of such two corporations for gross breaches of trust; and to give this the semblance of truth the said suit of C. P. Company vs. A. A. Cohen was filed and tried in July and August, 1876, consuming thirty-five days, when the trial Judge, Daingerfield, found in his decision that two or three days, at most, was ample for the trial of the issues involved therein by the pleadings.

That by reason of said suit, just mentioned, the plaintiff and his co-plaintiffs were entirely deceived as to the honesty of said A. A. Cohen in his alleged compromise of their suit and made no investigation concerning said compromise.

The plaintiff did not know, and had no cause or means to know or excite his suspicions, that the said A. A. Cohen was a party to such conspiracy or that any such conspiracy existed.

That the said Delos Lake was associated as attorney of record by the said A. A. Cohen, and that said Lake consented to such compromise and judgment in plaintiff's suit by and for the reason that he was very soon after retained by the said two corporations as their attorney at a regular salary of $10,000 per year, and so remained till his death some years later.

The plaintiff did not have the least intimation of said conspiracy practiced in said suit by the said A. A. Cohen and the defendants therein until about the middle of the year 1893, and did not learn until February, 1894, that said A. A. Cohen was a regular salaried attorney for said two corporations and their directors as such during the year 1876 until September 30th, or was thereafter and until after said alleged compromise retained by them at a salary unknown to plaintiff.

The suit of the railroad against Cohen alleged that while he was acting as agent for the company he charged it $50,000 more than he paid for the Fourth and Townsend streets lots, and that he also charged an excess of $56,376 for coal that he purchased between December 1, 1869, and January 1, 1876. The records of this action from the commencement on March 7, 1876, until it terminated in Cohen's favor on April 19, 1877, are in existence in the County Clerk's office. That it was a collusive suit Rogers claims is shown by the fact that Cohen's answer of ten pages was printed on March 11, 1876, four days after the complaint was filed. Cohen, it is argued, must have known all about the complaint before it was filed, to answer it in such a short time. On April 19, 1877, the case of the railroad against Cohen was ended, and eight days later Robinson was notified that his million-dollar stock had been sold for $17,000.

Another singular fact is that shortly after the compromise was effected Delos Lake, who had been associated with Cohen in the Robinson case, joined the staff of railroad attorneys.

IN WHOSE SERVICE WAS COHEN?

These questions were asked of Stanford before the Pacific Railway Commission:

Who was the attorney in the Robinson suit?

A. A. Cohen and Delos Lake.

As far as Mr. Cohen is concerned, is it not true that he is now one of the advising council of your company?

Yes, sir.

And did Judge Lake enter the service of your company afterwards?

Yes, sir.

Here is an admission that Cohen made before the commission when asked what fee he received in the Robinson case;

I did not get anything out of it. I gave the fee to the other counsel in the case. I allowed them to take the fee.

"If that does not prove conclusively that Cohen was in collusion with the railroad to defraud Robinson I don't know what would prove it," said Attorney Rogers yesterday. "I don't think that anybody would for a moment imagine that A. A. Cohen ever did any work purely because he liked it. Under his contract with Robinson he was entitled to half of the $17,000 he recovered, and he says he gave it all to the other counsel. What was he working for? The answer is that he was not working for Robinson, but for the C. P., and that his pay for handling that suit was the $10,000 a year he received from the corporation."

A QUARTET HAVE CROSSED THE RUBICON.

A quartet of the five conspirators—Hopkins, the two Crockers and Stanford—have, in consequence of their sins and indulgences, passed the Rubicon in the heydey of their manhood; escaped involuntary residences here, and are undoubtedly in the enjoyment of their reward!!!

> "For time at last sets all things even,
> And if we do but watch the hour,
> There never yet was human power
> Which could evade, if unforgiven,
> The patient search and vigil long
> Of him who treasures up a wrong."

CONCLUSION.

The Pacific railroad conspirators, and other similar trusts, corporations and combines, are always more or less interested in, and are large contributors of money to, the dominant political parties. They dictate elections. It makes but little difference which party is in power, Republican or Democrat, all are subservient to their behests. Sometimes they elect legislatures. Stanford elected our last one at a cost of $750,000. At other times they buy them after elected.

> Oh, heaven! that such companions thou shouldst unfold,
> And put in every honest hand a whip
> To lash the rascals naked through the world.

If these conspirators had acted honestly and fairly they never would have had occasion to have expended a dollar for bribery and corruption.

No adverse legislation would have been attempted. The public require rail and other transportation facilities, and willingly accord honest managers and investors reasonable interest and remuneration.

The people have been and are now contributing, through Huntington, to the ease and support of an indigent and indolent foreigner, to whom he (Huntington) gave several million dollars to marry his adopted daughter to give her an empty title, "that is as sounding brass or tinkling cymbal." This effete son-in-law, bedecked in costly gems, wrung from the toiling and starving millions, displays (as Cohen remarked of Crocker) "in his spotless white shirt bosom the emblem of snobbery as effulgent as the headlight of one of his locomotives ! ! !" These millions Huntington has filched and stolen from the toiling people.

The appropriate epitaph to be indelibly emblazoned upon the tombstones and mausoleums of these conspirators should be

EXECRATED.

Is it not time for the people to throw off the shackles of the bosses, and the corrupt dominant parties, and try a reform—elect men under the initiative-referendum system, to enact and administer laws of equity and justice to all? The experiment is worthy of a fair trial ; matters cannot be any worse than the present condition of our country.

That tide in the affairs of men that we read of is daily increasing in volume, power and impetuosity; the people are awakening and being educated to the absolute necessity of wresting the control from the dominant, corrupt, political, capitalistic parties and placing the affairs of national, State and municipal government in the hands of intelligent and honest reformers and administrators.

JOHN R. ROBINSON.

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